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# INDIA QUARTERL

**Volume III**

**1949**



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# INDIA QUARTERLY

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## CONTRIBUTORS TO THIS ISSUE

MR. W. A. ROBSON is Professor of Public Administration, London School of Economics and is the author of '*Public Enterprise*'.

DR. CHEN HAN-SENG, Research Professor of the University of Pennsylvania; formerly Professor of History, National University of Peking, Chairman of Sociological Section, Academia Sinica.

G. F. HUDSON is the author of *The Far East in World Politics*.

'VIETNAMESE' is an expert on the political and economic developments of Viet Nam.

JEAN VAN MENSBRUGGHE is a Research Fellow in the Belgium Institute of International Affairs, Brussels and is working on Benelux.

(MRS.) KAMALADEVI CHATTOPADHYAY is a well-known writer on international affairs.

MR. ARTHUR MOORE was formerly editor of *The Statesman*.

MR. P. KODANDA RAO has made a special study on the Colonies and was a member of the Indian delegation which visited Malaya to study the conditions of Indians there.

MR. B. P. SAXENA is Professor of History, Allahabad University.

MR. GIRJA KUMAR is Librarian of the Indian Council of World Affairs.

W. R. L. WICKHAM is Representative of the British Council in India and has toured the Latin American countries.

PROF. R. BHASKARAN is Reader in Politics and Public Administration in the University of Madras.

MR. M. RAMASWAMI, B.A., B.L. is the author of *The Law of the Indian Distribution of Legislative Powers in the future Indian Federation and Fundamental Rights*.

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# THE DRAFT CONSTITUTION

[ *Contributed* ]

## I. THE APPROACH

IN these notes, the Draft Constitution is examined and amendments suggested in the light of the following considerations:

2. In the first place, the machinery of Government to be provided by the Constitution must, in operation and effect, ensure to the citizens, individually and collectively, the enjoyment of the conditions of life which comprise the true substance of democracy, namely, equality before law, equality of opportunity, and freedom of conscience and the civil liberties which the Objectives Resolution promises. The Draft Constitution provides for the setting up of representative assemblies and other institutions familiar in other democratic constitutions. It is, however, necessary to look at the provisions more closely. For, in all human organizations, power tends to accumulate and concentrate, and to grow despotic. And in India, this danger is particularly great. For, in the first place, our political traditions are those of despotic rule, to which the British administrative practice made a mixed contribution, and the political ideas entertained—even in unexpected quarters—are often found to be crude and anti-social. Secondly, our fissiparous social system, with its divisions based on caste, sub-caste, creed or religion and notions of superiority and inferiority on grounds of birth, engenders strong loyalties, prejudices, antipathies and jealousies which form an integral part of our psychological set up, permeates the very air we breathe and impedes the cultivation of a really democratic outlook. These factors operate sub-consciously oftener than they act consciously, but always with overwhelming force, and impel the administrator to abuse governmental power, for which he can discover seemingly proper reasons—and for which he earns the gratitude of his caste etc. who may thereby benefit. They affect the whole fabric of public life in the like manner. For these reasons, it is imperative for us in India, more than for any other people in the world, to exercise the greatest possible care in framing our Constitution; to see that each and every part of it is so fashioned, and is so connected with other parts, as to effectuate the purpose for which it is designed.

3. The principal institutions of the scheme of the Draft Constitution are accordingly examined from the view-point of their probable operation and effect, bearing in mind that the machinery of the government must needs be manned by human beings liable to be assailed by human desires and temptations. Democracy, of course, can only be established firmly by the action and inter-action of institutions and men; and the education, culture, outlook, and character of the people must, in the last analysis, determine the measure of their success in the art of good and democratic government. But our chances

of success in this brave adventure would be very much brighter if we so frame the pivotal institutions of our Constitution as to exclude, as far as may be, the possibility of their being undermined and rendered ineffective. To that end, it is necessary to ensure firstly that each such institution is so connected with the machinery that in the operation of the machinery as a whole, the institution can and ordinarily would play its allotted rôle effectively; and secondly, that those who may from time to time man these institutions are at all times protected against fear and temptation calculated to induce improper action, and thus are preserved in a condition to perform their functions effectively. These considerations underlie, for instance, the suggestions regarding the superior judiciary.

4. These institutional checks and balances, however perfectly devised, have effect within a very restricted part of the sphere of government. For instance, of the innumerable points of contact between the citizen and the State, each a battleground of democracy, only a microscopic proportion fall even within the jurisdiction of the Courts as vastly extended under the Draft Constitution. They do not furnish the complete mechanics of democracy. They do not solve the problem of taming power. Nor does political philosophy offer a solution<sup>1</sup>. Of all the nations of the world England achieved the maximum success in solving the problem, by a process of sociopolitical evolution, wherein the judge and lawyer have played a far more significant rôle than is generally appreciated. Briefly, the English technique consists, firstly, of giving 'the fullest play to the institutional checks and balances which they have evolved, and secondly, of establishing, maintaining and rigidly adhering to within the sphere of governmental action, as indeed throughout the web of corporate life, diverse canons, conventions, standards and usages, each calculated to promote one or more aspects of the democratic ideal. These canons, conventions, standards and usages are largely based upon, or are derived from, the application of the broad principles of the English common law. Though tacitly assumed and constantly acted upon by the Minister and the civil servant in England, they are yet largely unwritten. They can, however, be gleaned from English judicial decisions—particularly from those bearing upon certain aspects of the constitutional law, and from those relating to the interpretation of enactments conferring powers. This, we think, is England's great contribution to civilization. Other countries have succeeded in the art of democratic government only in so far as they understood and imbibed the British principles. We cannot hope to establish an efficient and democratic government unless we too emulate them. We hope prejudice and sentiment will not be allowed to stand in the way of our doing so. But there are other formidable—all but insuperable—difficulties. Firstly, ignorance: even the Courts evince but an imperfect and a partial appreciation of these principles in their strictly legal aspect. Secondly, many of those in seats of power are likely to be impatient and

<sup>1</sup> See e. g. Bertrand Russel—*Philosophy and Politics*. Cambridge University Press, 1947.

critical of such principles, the acceptance whereof would prevent them from exercising governmental power arbitrarily or for ulterior purposes. But it is not impossible to overcome these difficulties. A long-term plan for the purpose must embrace not only adult education, but also a complete overhaul of our system of education in conformity with the new social order we wish to establish, so as to inculcate a true democratic outlook, based upon discipline and willing obedience to law, appreciation of the rights and interests of other people as well of the State as limiting one's own rights and interests, and a tacit acceptance of a few broad canons of fairplay, justice, honesty, and non-discrimination, in corporate life. Any such plan will involve a gigantic endeavour spread over many years; but in the meantime, it is essential to ensure that the conduct of government in all aspects is regulated in accordance with the canons of good and democratic government. The principal measures to be taken, for that purpose, in the immediate future, are—

- (i) To establish in each Government a strong Law Department possessed of the requisite prestige as well as learning for the enforcement from within, of the principles referred to above in all governmental action. In the discharge of these duties, the law officer must needs come up against fierce opposition from those in authority, and himself incur diverse disadvantages. And even a man of courage, strength and idealism may be discouraged from persisting in the endeavour if he finds that his efforts are futile—as they mostly would be unless he has the support of a Minister.
- (ii) To inculcate these principles among all those who are concerned directly or indirectly in public administration; and to impress upon the civil services, in particular, the necessity of rigid adherence to those principles in the exercise of governmental power and in every action connected with the execution of a public office; and
- (iii) To ensure that the civil services are in a position to adhere to those principles, by a thorough overhaul and re-organization of the civil services, by providing conditions of service calculated to encourage them to adhere to those principles in their official conduct and to enable them to repel any incentive or external pressure to depart therefrom, by eliminating those factors calculated to facilitate and encourage in the public services, even at a very high level, callous indifference to public interest and an overweening improper pre-occupation with private interests.

These matters but indirectly bear upon the topics which properly belong to the Constitutions, to the extent, that is, that the provisions of the Constitution, if properly framed, may assist the Governments concerned to formulate and implement such measures on the right lines. And they are so dealt with here.

5. It is necessary to consider the Draft Constitution from yet another point of view. The Constitution must provide a machinery of government capable of standing the stress and strain of modern life in war and peace and

capable of promoting the social and economic progress of the nation as a whole, and of each and every part of it, to the maximum extent possible. It is necessary to ensure that the provisions relating to fundamental rights are so framed as to be incapable of being misconstrued to thwart progressive planning. And the scheme of the distribution of powers and functions between the Centre and the units requires careful scrutiny from this point of view.

6. All these matters, vital to our prospects of establishing and maintaining efficient democratic Government and of social and economic advancement, can be satisfactorily dealt with only upon a careful consideration of various factors. We cannot, of course, ignore our existing constitutional and administrative structure. But we cannot forget that the Government of India Act, 1935, was not intended to establish a fully democratic State, nor can we overlook the fact that some of the institutions and conventions established thereunder were undemocratic or otherwise unsatisfactory in their operation and effect. Every provision of the Act intended to be re-enacted in the Constitution must, therefore, be critically examined, especially with reference to its operation in the past, and its probable effect in the context of the new circumstances. Again, we must no doubt profit from the experience of other democracies of the world, but we must, in borrowing any provision from a foreign constitution, ascertain its precise effect in that country and visualize its probable effect in the context of our constitution having regard to Indian conditions. In considering all these matters, we must have due regard to the conclusions of political science and social psychology in so far as they are borne out by recorded history and by the common experience of human conduct, especially in relation to public administration, in this country. We must take into account our economic conditions, our social heritage, our political and administrative traditions, and the cumulative effect thereof. We cannot overlook the fissiparous tendencies, loyalties and prejudices which inhere in our body politic, since they are the most potent enemies of democracy in India. And, in appraising the probable effect of any proposed provision, we must needs take a long-range view extending far beyond the immediate future. We must envisage, then, the gradual development of the party system which, as experience everywhere shows, is an indispensable condition of democratic government, and the establishment of conditions of public life germane thereto. It is more than probable that in outlook, experience, and in much else, the politician of tomorrow will be substantially dissimilar to the great national leaders who hold office to-day. He will be primarily a party man, whose loyalty to the party and its supporters inside or outside legislatures will be the greater by reason alike of his long association with them and of his obligations to and continued dependence upon them for his accession to or continuance in office, and whose outlook and conduct are likely to be influenced in a substantial measure by considerations of party interests. The very conditions on which he can attain or hold office may compel him to abuse governmental power and patronage for consolidating and strengthening his position by purchasing support. The gra-

vity of this danger can be gauged from the fact that even now—when we have national governments at the Centre and in the Provinces, having men of outstanding ability, integrity and idealism—one comes across people, even legislators, who seem to assume that such abuse of power is a proper and necessary concomitant of democratic government. This, and the other incidents of party government, render imperative the delimitation of the powers and functions of the politician, the provision of effective checks and balances, and the removal of certain matters outside the sphere of influence of the party in power, suggested in the following pages.

7. These considerations do not apply in relation to Articles 5 and 8 (i) of the Draft Constitution which are herein dealt with only because of the serious public inconvenience which they would cause unless amended.

## II. CITIZENSHIP

Article 5, which determines the persons who are to be Indian citizens at the commencement of the constitution, is of importance, in view, particularly, of the exchanges of population between India and Pakistan during the recent months. The article is not happily expressed; clause (b) overlaps clause (a), and the expression 'made his permanent abode' occurring in clause (a) is susceptible of divergent interpretations. But in the relevant aspects, its effect is fairly clear. It unequivocally excludes from Indian citizenship persons who are citizens of a foreign State, and so departs from the law and practice of England and some other nations which recognize 'dual nationality', a departure which is perhaps necessary in view of our present circumstances. It extends citizenship generally to all persons, including those domiciled in acceding States, who can establish a territorial connexion with India, and takes into account the requirements of Indians resident in foreign countries. It seeks to provide—as the Chairman points out in the introductory letter—also for the problems arising from the recent exchange of populations between India and Pakistan; but the provision made in that behalf seems to require further consideration.

2. All but a few among the millions of Hindus and Sikhs who left Pakistan would fail to qualify for Indian citizenship under clause (a) or clause (b) but would remain foreigners unless, before the commencement of the Constitution, they make declarations before a District Magistrate as contemplated by paragraph (ii) of the explanation. This procedure is specially provided to enable such displaced persons easily to acquire Indian citizenship. Considered by itself, the procedure is no doubt simple. But, having regard to the number of persons for whom it is intended, and to their circumstances, the procedure must needs involve serious practical difficulties and also prove ineffective. For instance, even the routine administrative work involved in the receipt and registration of lakhs of declarations, and the preparation and maintenance of the appropriate records, is colossal. Moreover, having regard to the fact that the overwhelming majority of these persons are poor, illiterate, and ignorant, it would fall to the Government itself to make arrangements to publicize the necessity of making such declarations, and to arrange for trans-



port to, and accommodation at, district towns of persons wishing to make such declarations. It is fairly obvious that the movement of millions of persons from rural areas to district towns and back would necessarily cause unbearable strain on transport services and on the administrative machinery. The formula of clause (ii), thus, necessarily involves enormous expenditure—indeed waste—of public time and money, of administrative effort, and much else that is undesirable, but cannot promise results satisfactory in the relevant aspect, for it is vain to hope that more than twenty per cent of the refugees would acquire citizenship in this way, even if Government were to undertake all the necessary arrangements. The article, moreover, makes no provision for the case of orphaned children. It is necessary, therefore, to devise a formula so as to confer Indian citizenship on all such persons automatically.

3. On the other hand, the article confers Indian citizenship on millions of Muslims who have migrated to Pakistan. They will not be excluded on the ground of their having acquired the citizenship of Pakistan because it is improbable that Pakistan will have made legal provision in that behalf before our constitution comes into force nor are they all excluded on the other ground of exclusion specified, namely, that they have made their permanent abode outside India. The question as to the place where a person has made his permanent abode is a mixed question of fact and law and may depend upon his intention; and it must be answered in each case upon a consideration of the facts of that case. And it is not improbable that as a matter of law, many of the emigrants to Pakistan will be found not to have made their permanent abode therein. It is presumably for this reason that the Rules of the Pakistan Constituent Assembly employ the wider expression “ordinarily residing in Pakistan” in describing such persons. Most of these emigrants intend presumably to settle down in Pakistan; and from the view-point of their interests, the conferment of the citizenship of India on them is neither necessary nor advantageous, but may well prove to be a source of embarrassment or inconvenience—especially by reason of the uncertainty of the operation and effect of article. Therefore, it is best to treat them as nationals of Pakistan and to exclude them from Indian citizenship at the commencement of the Constitution, leaving such of them as desired to return to Indian citizenship to do so in accordance with the ordinary procedure to be prescribed by law to be made under Article 6.

4. Accordingly Article 5 may be amended somewhat on the following lines:—

‘At the commencement of this Constitution any person who or either of whose parents or any of whose grandparents were born in any part of India, as defined in the Government of India Act, 1935, as originally enacted, or of Ceylon, Burma or Malaya shall be deemed to be a citizen of India unless he has:—

- (i) acquired citizenship of a foreign State; or
- (ii) is domiciled outside the territories of India as defined in this Constitution.

*Explanation*—For the purposes of this article, “domiciled” has the meaning attributed to it in Part II of the Indian Succession Act, 1925; provided that any person who was domiciled in any area now included in Pakistan but is ordinarily residing in Pakistan or has taken employment under the Government of a foreign State shall be deemed to be domiciled outside India.”

### III. FUNDAMENTAL RIGHTS

A formal declaration of fundamental rights is not an essential feature of a democratic constitution. The British Constitution has none. Nor, on the other hand, can such declaration *per se* prevent misrule, despotism or fascism. Moreover, such a declaration can, as recent American history shows, lend assistance to the forces of reaction. But it is undoubtedly desirable to include such a declaration in our Constitution since it would serve as a constant reminder to the judge, lawyer, administrator and citizen of the fundamental principles of law and of rational social organization of which he may otherwise remain unaware or unmindful.

2. The scheme of the relevant provisions of the Draft Constitution is generally satisfactory. The rights are defined and guaranteed by articles 9 to 24, subject, however, to temporary suspension in a time of emergency; secondly, all laws repugnant to the provisions of these articles are invalidated (Article 8); and thirdly, the Supreme Court and the High Court are clothed with extraordinary jurisdiction to issue directions and orders in the nature of writs of *habeas corpus*, *mandamus*, *prohibition*, *quowarranto*, and *certiorari* for the enforcement of these rights. These provisions, thus, establish an effective machinery for the protection of the rights. The definition of the rights themselves takes into account the necessity of temporary submergence of the rights in times of emergency. But the provisions leave certain loose ends which it is necessary to consider.

3. The precise definition of fundamental rights is always a matter of very great difficulty. The rights of an individual in a democratic State must necessarily be limited by the like rights of every other individual in that State and by the social necessities of the State as a whole; and although the general nature of the limitations is easy enough to grasp, to determine the border line which is precise and clear in the infinite variety of permutations and combinations of circumstances which life may present is a task of extreme difficulty. If the limitations are too broadly defined, the enunciation of the fundamental rights itself ceases—as it ceased in the German Constitution of the Third Reich—to be of any practical value. On the other hand, if the limitations are defined too narrowly, then the provisions of the fundamental rights can hold up the social and economic progress of the nation. As is well-known, the 14th amendment of the Constitution of the U.S.A., as construed by its Supreme Court until the thirties of the present century, impeded social legislation of an ameliorative character including the minimum wage law and Roosevelt's New Deal legislation which was no more revolutionary than English legislation twenty years before. It is necessary to ensure that

the provisions of the Constitution, in part III, do not impede the State hereafter in implementing schemes of economic development or of social amelioration. Article 13(1) defines certain rights regarding freedom of speech etc; and clauses 2 to 6 define the limitations subject to which each of these rights is guaranteed. Clause 1(g) read with clause 6 guarantees every citizen the right to practise any profession or to carry on any occupation, trade or business subject to any law imposing in the interests of public order, morality or health restrictions on the exercise of the rights so conferred, and in particular, prescribing or empowering any authority to prescribe the professional or technical qualifications necessary for practising any profession or carrying on any occupation, trade or business. It is to be noted that the restrictive legislation permitted by clause (6) must, on pain of invalidity, be referable to the underlined words. It may happen, however, that people may have to be wholly prevented from carrying on any particular trade or business in any particular commodity if that commodity, being in short supply, is sold by Government or by its licensed dealers or where the production, sale and distribution of any particular commodity is undertaken by the Government as part of the economic programme. But legislation authorising it may be held to be invalid, except in times of emergency when fundamental rights are suspended under Article 280. And, for like reasons, legislation to implement schemes for economic development or social development may be found to travel beyond the scope of legislation permitted by clause (6). We would, therefore, suggest that in clause (6) instead of the words 'or health,' the words 'health or public weal' may be substituted.<sup>1</sup>

4. It is, of course, unquestionably right and proper not only to prevent future enactment of legislation repugnant to the fundamental rights but also to eliminate from the statute book all previous laws which are so repugnant. But article 8 (1) carries out that object in a somewhat inconvenient manner by declaring that 'all laws in force immediately before the commencement of this Constitution in so far as they are inconsistent with the provisions of this part shall to the extent of this inconsistency be void.' It will open the floodgates of litigation almost immediately, and in the initial stages at any rate we are bound to have many conflicting decisions not only of the lower judiciary but also of High Courts; and until the Supreme Court lays down general principles, almost no point will be free from doubt. Uncertainty and confusion will seriously impede the Governments in enforcing the laws, and may give rise to manifold public evils which it is unnecessary to particularise.

5. All this confusion, expense, and administrative pusillanimity etc. would be avoided by the adoption of a simple expedient of adapting the formula of Sections 292 and 293 of the Government of India Act, 1935. The whole of the Indian Statute Book, Central as well as Provincial, should be examined by a committee or committees of experts charged with the duty of preparing a list of adaptations and modifications necessary in the statutes to bring them

<sup>1</sup> This suggestion has since been adopted. Editor.

into conformity with the Constitution; and the Constitution should contain a provision:—

- (i) authorizing such adaptations and modifications,
- (ii) declaring that any statute shall have effect subject to such adaptations and modifications, and
- (iii) prohibiting courts from questioning the validity of any such law, notified by the President to have been so scrutinised and adapted, on the ground only that it is not consistent with the provisions of part III.

This can be carried into effect by slight amendment of Articles 8 (1) and 307.

#### IV. THE ATTORNEY-GENERAL AND ADVOCATES-GENERAL

Articles 63 and 145 which relate to the Attorney-General for India and Advocate-General for the State are copied, inadvertently, if we may say so with respect, from the Government of India Act, 1935. It is necessary, at the outset, to determine whether the Advocate-General (of the Union, or of a State, however designated), should be a political officer, i.e. a minister, as he is in England or whether he should be a civil servant as he has been in India so far. I suggest that the question is of great importance and should be considered at least at this stage. In our view, it would be desirable to make the Advocate-General a Minister and put him in charge of the Ministry of Law.

2. In a minute written by him in the eighteen-sixties, Sir Henry Summer Maine indicated in a pregnant phrase the most important aspect of the Functions of a Ministry of law. He said that the functions of a Law Member arise where questions of policy and questions of law intermingle. In other words, an important aspect of the duty of the Ministry of Law would be to mould and to modify the legislative and executive policy of the Government in conformity with the fundamental principles of Law so as to ensure to each citizen the freedoms that are promised to him—to prevent injustice, unfairness or discrimination against any person or class of persons, or any other act involving infringement of what we now would call his 'fundamental rights.' Some of the Law Members like Maine and Stephen discharged this function with great energy, understanding and vision. A powerful combination of circumstances—e.g. the conditions of the people and the character of the Government itself—restricted their efforts within very narrow limits and, even within those limits, thwarted their success; but their achievements are nevertheless remarkable enough, in that the legislation which they placed on the statute book, *inter alia*, embodied certain principles of the rule of law within the framework of an irresponsible and despotic government. But presently, particularly during the last four decades of the British rule, Maine's conception of the functions of the law Member ceased—for reasons which it is unnecessary to specify—to inspire his successors; and his Department maintained traditions and standards of technical professional ability alone, and came to be regarded rather as a bureau of *legal* advice.<sup>1</sup>

<sup>1</sup> Cf. the Tottenham Report.

3. A strong Ministry of Law effectively discharging the functions implicit in Maine's illuminating phrase is necessary in the Provinces as well as at the Centre, and, in our present conditions, it is indeed the *sine qua non* of establishing and maintaining proper standards of good and efficient government for ensuring to the citizen the true substance of democracy. For, in this aspect more than in any other, the times we are passing through are critical. The rule of law, even in its obvious and justiciable forms, is but imperfectly established. And in the sphere of public administration and of public life in general, our difficulties common enough in an infant democracy, are gravely aggravated by our peculiar circumstances e.g. the psychological effect of our socio-political heritage; the pernicious principle of latter-day British administration of favouring the loyal person, the loyal family, the loyal caste, and the loyal group, the demoralization and depletion of our service, etc. Many of us have yet to learn to approach governmental problems impersonally, in the abstract; to be guided, in thought and act, by considerations of principle and of general public interest alone, rather than that of conferring benefits on individuals; to conform to standards of justice, fair-play and non-discrimination between individuals or groups. The many confused and erroneous notions and assumptions, to which mainly these aberrations are due, can only be dispelled by establishing a code of clearly formulated canons of good government. And in that task, the Law Department, being in constant and intimate touch with the conduct of Government, can play an important part. But a departmental law officer's advice, on matters not strictly justiciable in a Court of Law, is likely to be disregarded by the executive. The Law Department can, therefore, *effectively* assist in formulating and applying the canons of good government only if it has the support of a minister of Law who is also a lawyer of eminence and standing in the profession. An Advocate-General who is merely an external law officer subordinate to a Minister will neither command the same respect, nor will he at any time acquire the knowledge and understanding of governmental policies and problems necessary to enable him to express opinion on such matters.

4. It is clear, therefore, that if the Advocate-General be the Minister in-charge of the Law Department, he and the Department would be in a position effectively to discharge these important functions—though we readily concede that it will not *per se* endow the law officers with the ability and idealism necessary. To invest the Advocate-General with Ministerial status is desirable also from many other points of view; *inter alia*, that it will ensure—

- (i) the nomination of at least one Minister on grounds of professional eminence and not merely on grounds of party standing or of caste or creed, and his presence would certainly add to the intellectual stature of the cabinet of many a Province.
- (ii) the benefit, to each Government, in its deliberations, of the assistance and counsel of a front rank practising lawyer possessed of a trained mind imbued with the liberalising influence of the law—of a man who shares the cabinet's ideals and has its confidence, and is yet capable of detachment.

(iii) that each Provincial Cabinet has a full-fledged Law Minister as the Law Department may otherwise remain but a minor charge, and mainly for routine administrative purposes, of a Minister burdened with the responsibilities of one or more administrative departments.

(iv) economy at the Centre; and,

(v) the willingness of front-rank lawyers to accept the office, if it combined the dignity of Ministerial rank with the prestige and position of exofficio leader of the Bar, for, the office of Minister or of the Advocate-General by itself may not—and in fact has sometimes failed to—attract the best men.

5. But even if the Constituent Assembly does not favour this suggestion, it is necessary to amend the articles in the light of the following: Until 1937, there was an Advocate-General for each of the three presidencies. He held a civil post under the Crown in India and was treated as a civil servant, even when he was employed on a part time basis. His conditions of service were prescribed, *inter alia*, in the Civil Service Regulations and the Fundamental Rules, deriving their authority from section 96 B of the (repealed) Government of India Act. The Act of 1935 provided an Advocate-General for each of the other Provinces as well, and for the Federation, with a view to making available to each Government the services of a law officer of independence and standing. In paragraph 401 of their report, the Joint Select Committee said: 'It is not part of our intention to suggest that the office of Advocate-General should like that of our law officers here have a political side to it; indeed our main object is to secure for the Provincial Governments legal advice from an officer, not merely well qualified to tender such advice, but entirely free from the trammels of political or party association whose salary would not be votable and who would retain his appointment for a recognized period of years irrespective of the fortunes of the Government or Governments with which he associated during his tenure of office.' Therefore, they ensured his independence by giving him security of tenure. See sections 16 (2), 33 (3), 78 (3) and 240 (3). The Congress party in the Provinces generally established healthy conventions in this respect. It appointed, and continued, non-party men as Advocates-General. But recently in the East Punjab, the Congress Ministry suddenly, without notice and without apparent cause, removed its Advocate-General from office. In our opinion this action was contrary to the letter and the spirit of the law, but, not having been challenged in any court of law, it will unsettle the traditions so far established. In view of the East Punjab precedent it is likely that articles 63 and 145 may be construed as envisaging the office of the Advocate-General as a civil post which the incumbent holds only during the arbitrary and unregulated pleasure of the Minister in-charge. If so, the Attorney and Advocates-General would be in a worse position, in the relevant aspect, than the juniormost categories of civil servants to whom the Draft Constitution extends protection against arbitrary dismissal. It is obvious that an officer holding office

on such a tenure would be incapable of tendering advice to the Government relating to the problems arising out of the conduct of Government in such wise as to safeguard the public interest, and with due attention to the rules and principles of law; it is more than probable that he will tender advice rather with a view merely to pleasing his Minister. These provisions, thus, are calculated to defeat the very object of providing Advocates-General. It is necessary, therefore, to modify them so as to give to the officers security of tenure so as to enable them to perform their functions with some measure of integrity.

#### V. THE SUPERIOR JUDICIARY

The superior judiciary will hereafter play a far more significant part in shaping the country's future than hitherto, as they will constantly be called upon to determine the validity of legislation and of executive action with reference to the provision relating to fundamental rights. It is necessary, therefore, to ensure that the judiciary is manned by persons who are truly independent, —i.e., possessed of a true balance and detachment of the mind, incapable, alike, of bias in favour of or against the Government of the day or their opponents. Independence is a thing of the mind; and, in a social organization, it can only be fostered and preserved by appropriate conditions of service, calculated to afford effective protection against temptation and fear alike.

2. To ensure the prescription of proper conditions of service for the superior judiciary is therefore a matter of fundamental public importance and concern. This is impliedly recognized by the Draft Constitution by the inclusion of provisions such as clauses (2) and (4) of Art. 103 and the proviso to Art. 104. It is desirable to include certain other provisions, too, —presently to be mentioned. And, as regards salary, leave and pension, and all other matters not provided for in the Constitution, the power to prescribe the conditions of service should be entrusted to a single authority, namely the Parliament. Provisions such as Art. 197, by which such power, in relation to High Court Judges, is entrusted to State Legislature is a departure from constitutional practice in India, and is not a change for the better. In view of the considerations mentioned in para. 1, the matter is of national concern—and not of interest to the State citizen only—and, therefore, proper to be entrusted to Parliament (though the State Government's views would no doubt be considered by the Union Government before promoting legislation). Moreover, it is obviously desirable that the general conditions of service of High Court Judges should be uniform, except possibly as regards salary, which must be fixed with reference to local conditions, including the cost of living. And the entrustment of the powers to Parliament would exclude the possibility of local prejudices influencing the party in power in the State to promote legislation calculated to impair the integrity of judges. These considerations clearly point to the necessity of entrusting the power exclusively to parliament.

3. Art. 103(2) which fixes at 65 the age of superannuation for Supreme Court Judges is doubtless a step in the right direction. It is calculated to facilitate recruitment of Judges from among front-rank lawyers rather than

from among promising juniors; to remove or mitigate the main reason underlying the disinclination of eminent lawyers to accept the judicial office; and to secure to the nation the benefit of the ripe judgment and experience of this important class of public servants. These considerations, however, apply *proprio vigore* in relation to High Court Judges. The Drafting Committee recognize this (vide Art. 193 and foot note thereto) but the remedy they suggest is not quite satisfactory. For, the State Legislatures, if they act at all under the concluding words of Art. 193, may fix divergent age-limits and they may from time to time amend the law to suit individual cases, for the benefit or to the detriment of individual Judges, and this may seriously impair the integrity of Judges. Moreover, the tenure of office of Judges is a matter of sufficient importance to be dealt with in the Constitution itself. And finally, any substantial disparity between the conditions of service of the Judges of Supreme Court on the one hand and of the High Courts on the other is calculated to tempt High Court Judges to resort to conduct inconsistent with their dignity and integrity in order to obtain promotion to the Supreme Court. This danger is avoided in England as the conditions of services of the Judges of the High Court as well as of the Court of Appeal are identical, so that promotion from one to the other carries no material advantage but merely confers added dignity and prestige. In India, a slightly higher salary, as proposed, would be justified by the local circumstances; but it is best to ensure substantial similarity of conditions of service in other respects, particularly the age of superannuation. For these reasons, we suggest that the Constitution itself should provide that the superannuation age for High Court Judges too shall be 65.

4. The raising of the superannuation age—whether in the case of Supreme Court Judges alone as provided in Art. 103 (2), or in the case also of High Court Judges as proposed above—may in some cases lead to undesirable consequences which must be guarded against. Although Judges and lawyers are among the long-lived classes, it is reasonable to assume in view of the climate and other conditions in India, that some of them may not continue till the age of 65 in a state of health enabling them to discharge their duties satisfactorily. Where ill-health or advancing age impairs the faculties and powers of a Judge, his own sense of duty and the public opinion would and can alone, be trusted to impel him to retire. But even a conscientious Judge would desist from that step if it imposed upon him serious pecuniary disadvantages. And in this aspect, our present Rules—which it is proposed to continue—are unsatisfactory in that they prescribe a minimum period of service as a condition of eligibility to pension, and require the amount of pension admissible to be fixed with reference to the length of service. Thus, a Judge may find that if he retires prematurely by reason of ill-health, he would receive no pension at all or a very small pension, and he would have an incentive to cling to the office, notwithstanding the impairment of his faculties, so long as he is not totally disabled. It is necessary in the public interest to remove this incentive, by providing in the Constitution, that where a Judge retires prematurely on grounds of health, he would be eligible to such pension



as might have been admissible if he had served till attaining the age of 65. Such a provision may no doubt lead occasionally to the results which at first sight seem unreasonable,—as where a judge, after serving for an inconsiderable period, retiring on grounds of ill-health and earning his pension. But upon a careful examination of the relevant factors, it is clear that the result is consistent with the public interest. Such cases, moreover, would be rare, and they do not impair the cogency of the general argument. And, finally, the extra cost involved therein is microscopic in comparison to the magnitude of public advantage thereby secured.

5. It is likewise imperative that his conditions of service must effectively protect a Judge also against temptation. It is for this reason that in England a Judge is debarred by convention from promotion to non-judicial posts and from re-employment after retirement. In India, however, the practice of re-employing retired High Court Judges is not uncommon and is on the increase. It is not only repugnant to the context of the present circumstances but may spell disaster to the cause of democracy and good government in the country in future, when party government is established. For, if a Judge can hope for such preferment, self-interest would strongly impel him to concern himself in party intrigue and to try to please every one likely to be of use for the purpose. His motives, interests and party loyalties—acting consciously or sub-consciously, overtly or covertly—would prevent him from acquiring and retaining that balance of the mind and detachment of view which is essential in a judge. It is imperative, therefore, to include in the Constitution an express provision disabling a Judge (of a High Court or the Supreme Court) from promotion to non-judicial office or from re-employment after retirement. This disability, however, must apply subject to certain qualifications imposed by overriding considerations of public interest:

- (i) It should not prevent the temporary employment of a Judge while continuing to hold his office in the performance of non-judicial duties of a certain character, for which he is pre-eminently fitted by reason of his intellectual gifts and training, legal acumen, judicial training and habits of mind, detachment and impartiality, ability to assess evidence and arguments, and a comprehension of public affairs. In England, Lord Tomlin presided over the Civil Service Commission, Lord Macmillan over the Banking and Industry Committee, and Lord Wright over the Law Reform Committee with great distinction; and a High Court Judge sits on the Railway and Canal Commission. In India too, Judges have rendered signal public service as Chairmen of Commissions and adjudicators in industrial disputes, and their beneficent influence in public administration will be increasingly necessary in future. Temporary deputation on such duties, however, involves no promotion and, therefore, is not contrary to the principle on which the disability rests.
- (ii) Express provision must be made suspending the disability in times of grave national emergency such as war or threat of war, here again following the English precedent. A Judge may be a great scientist,

like Lord Moulton; or he may possess pre-eminent qualifications for specified diplomatic missions, like Lord Reading, Lord Greene or Griffiths, the Chief Justice of Australia. The greater public interest lies in ensuring that during emergencies such a man is employed in duties wherein he can possibly serve the nation most effectively.

6. Similar considerations require the abolition of 'acting' and 'additional' Judges. It may be that such appointments were not open to serious objection in the context of the quasi-despotic rule in the past but it is obvious that they are fundamentally incompatible with democratic government. The insecurity of their tenure—which may continue long enough—is likely to foster in Judges an undue timidity, subservience to the politicians, and active interest in political intrigue, and would prevent them from attaining any substantial measure of independence of the mind. No acting or additional Judges are appointed in England and the adoption of the English system in India is not calculated to give rise to serious administrative difficulties. At all events, the *raison d'être* for acting or additional Judges can be obviated by (i) temporary deputation of Judges between High Courts *inter se*, (ii) temporary recall of retired Judges as in England (and as provided in Article 200) and (III) temporary addition to the substantive cadre of the High Court to be adjusted at the next retirement.

7. Finally, it is necessary to add a few words regarding the suggestion to the effect that the provisions in the Constitution requiring Judges to retire on attaining a specified age should be qualified by a proviso enabling specified authorities to grant to individual Judges an extension of service thereafter from time to time. The suggestion involves a radical departure from the present law and practice. It is in truth wholly untenable on merits. And its adoption would indeed be contrary to the public interest. Extension of service is no doubt granted to the civil servants—albeit rarely and in exceptional circumstances; but the considerations which require or justify such action cannot apply in relation to Judges, who (along with certain other officials hereafter mentioned) stand in a special position. Unlike the civil servant, the Judge must be independent of the Executive (see para 1), and is protected as respects his tenure of office etc; and his superannuation age will be fixed at 60-65 whereas that of the civil servant is 55 (or possibly 58; if the Pay Commission's recommendation is accepted). From the view-point even of private interests, the Judge, having been given these extraordinary benefits, cannot properly claim the additional benefit of extension of service on the ground that the civil servant gets it. And supervening considerations of the public interest require that he should not be in a position to get such extension. It is essential, for the maintenance of the integrity of the Judges, that the general conditions of service, as prescribed, should apply to them uniformly, and without exception. The considerations mentioned in paragraph 5 apply *a fortiori* to the present suggestion. If it were possible for a Judge to obtain extension of service, he would have strong incentive to curry favour with those in a position to influence the decision; and for that purpose, to maintain active interest in party politics, to abuse—consciously or uncon-

ciously—his judicial powers for furtherance of party ends by supporting or opposing the party for the time being in power, to seek cheap notoriety, and so exclude the possibility of his cultivating or retaining that detachment and true balance of mind which, above all other qualities, is essential in a Judge. For these reasons, the suggestion above said must be rejected.

## VI. THE SERVICES

Article 282 (1) contemplates that the Union and State legislatures should, by legislation, provide for the regulation of recruitment and conditions of service of persons appointed to the public service and posts in connexion with the affairs respectively of the Union and the State. But by clause 2, it re-enacts sub-section 3 of Section 240 of the Government of India Act, 1935, embodying a healthy principle which prevents removal or reduction in rank of a civil servant except after notice to him. By Article 283, the rules in force before the commencement of the Constitution, and applicable to any public service or post which has continued to exist after the commencement of the Constitution, are to continue in force so far as consistent with the provisions of the Constitution. The effect of this article is to continue in force the appropriate Civil Service Rules, made or continued under the Government of India Act, 1935, which will continue in force until replaced by the appropriate legislation. But till they are so replaced, it will not be possible lawfully to amend any of these Rules; and this is likely to lead to serious administrative inconvenience as the Rules, in so far as they relate to matters of detail, require amendment from time to time, and the enactment of legislation on the subject of Civil Services,—conferring *inter alia* the power to amend the Rules—may be impossible to take in hand soon enough after the commencement of the Constitution. It is, therefore, desirable to incorporate in the Constitution the provisions of Section 241 of the Government of India Act, 1935, which would preserve the rule-making powers of the Governments without impairing the over-riding powers of the legislatures.

## VII. PUBLIC SERVICE COMMISSIONS

Article 285 (2) reproduces section 265 (2) of the Government of India, Act, 1935, but requires reconsideration. In the first place, the operation of Section 265 (2) has not been very encouraging. For instance temporary posts have been created from time to time with a tenure which at any given moment did not exceed 90 days with the result that the incumbent could never possess that true integrity of mind which is necessary in a member of the Commission. Moreover under Section 285 (2) the Governor-General or, as the case may be, the Governor, was to act 'in his discretion'—independently of political influence,—but under Article 285 (2) the action will be that of the political party for the time being in power. By reason of Article 285 (2) the position of the Chairman and the Members of the Commission will further deteriorate to such an extent as to render them incapable of discharging their functions with a modicum of efficiency.

2. So far the Commissions have been employed, almost exclusively,

in the performance of their functions as to recruitment—of advising Government upon the suitability of Candidates for appointment; and their work has not been of a high standard of excellence. Moreover, they have generally neglected the functions specified in clauses (a) and (b) of Section 266(3)—functions which, affecting as they do the proper organization of the civil services and the maintenance therein of proper standards of efficiency and integrity, are of far greater importance than those of recruitment. The absence of rules and principles settled after careful consideration in consultation with the Commissions is calculated to impair the quality and morals of the civil services and to encourage minor Government officials to take *ad hoc* decisions which may prove prejudicial to the public interest. For instance, the absence of such rules as to the principles of recruitment has often left the Commissions without any clear criteria for recruitment and has led otherwise to undesirable results (e.g. the decision to debar graduates in law or commerce from admission to competitive examinations for Central services, though a little reflection would show that knowledge of law or of accounts or of economics of transport would be at least as useful to the administrator as a knowledge of philosophy or history or of Persian literature). And the absence of rules as to clause (b) is calculated to put a premium upon unseemly wangling and intrigue in the services.

3. Moreover, the reorganization of the civil services, which is imperative for converting them into an efficient instrument of democratic policies, may require a considerable enlargement of the functions of the Commissions. For instance, the Commission may have to be associated—

- (i) with formulating and implementing schemes for the training of civil servants of different categories;
- (ii) with the machinery to be set up for the proper interpretation and uniform enforcement of Civil Service Rules. (Except in the Central Government, the rules are constantly and variously misinterpreted by those in authority,—a source of constant irritation and deep discontent among most classes of Government servants); and
- (iii) with formulating measures for promoting efficiency, integrity, and sense of duty among the civil services—e.g. for rationalising the system of confidential reports so as to ensure that the reports are objective and factual and furnish reliable data not only for assessing the qualities and merits of the official reported about but also for devising action to eliminate shortcomings whereas at present the reports are of uncertain and widely varying value, often betraying want of comprehension or good faith on the part of the reporting official.

It may be necessary also to associate the Commissions more closely with the supervisory machinery for implementing such measures and for ensuring compliance with the approved principles of the organization of the public services. The legislation necessary for such enlargement of the Commissions' functions is within the competence of the Union and State legislatures.

4. The Constitution, however, must include all provisions necessary for enabling the Commissions effectively and satisfactorily to discharge their functions.

(i) Firstly, it is necessary to give them conditions of service analogous to those of High Court Judges, in order that they may perform their duties with like independence. This is all the more necessary because the present system of recruiting Commissioners from among retired officials will have to be given up; for such Commissioners, by reason of advancing age and of the brevity of their tenures can take but perfunctory interest and only in the routine duties. They will have to be replaced by younger men recruited not later than 50, and promised a tenure long enough to encourage them to take deep interest in the various problems and make sustained effort for the solution. It is, therefore, necessary to provide that once a person is appointed to be a Commissioner he shall continue in office till attaining superannuation age (the same to be fixed for High Court Judges) and protecting him against prejudicial changes in his conditions of service as respects pay, leave and pension.

(ii) Secondly, it is necessary to define with some precision the relationship *inter se* between a Commission on the one hand and the Government on the other. Under Article 286(3), which re-enacts Section 266(2), the Government has power to exclude cases and matters from the consultative jurisdiction of the Commission; and what is more the Government has the power to reject the advice tendered by the Commission on matters falling within its jurisdiction. The powers of Government are not expressed to be subject to any limitation or qualification and it is not improbable that, in some cases at least, the party for the time being in power may not be able to resist the temptation arbitrarily to abuse it and so disable the Commission from exercising its functions effectively. The only check, which it is possible to devise within the frame work of a democratic Constitution, is to ensure that the legislature is apprised of the doings of the Ministry. We suggest, therefore, that a provision should be inserted in the Constitution requiring—

- (a) that the Government should communicate to the Commission its reasons for the regulations made by it under the opening words of clause (3) or for rejection of advice tendered by the Commission; and
- (b) that the Commission shall submit to the legislature every year a report setting out such cases, the Government's reasons in each case and the Commission's views thereon.

#### THE AUDITOR-GENERAL AND THE AUDITORS-IN-CHIEF

The Draft Constitution does not define the functions of these officials, nor specify the matters to be dealt with by them in their reports to the legislatures; these are left to be provided for by the legislatures respectively of the Union and the States. It is true that the Constitutions, for instance,

of the U.S.A., Canada and Australia too make no provision on the point, but whatever be the reasons therefor, they are plainly inapplicable here. We are framing a Constitution in considerable detail, and the machinery for audit, acting as it does as a healthy check on waste and misapplication of the public moneys, is important enough in the scheme of Government to require careful attention. We suggest that the Constitution should provide for the appointment, conditions of service etc. of the Auditors-in-Chief on the same lines as those adopted in relation to the Auditor-General; and prescribe—

- (i) their functions and powers,
- (ii) the features of the contents of their reports, and
- (iii) the manner of the submission of such reports to the respective legislatures.

This is desirable, firstly in the interests of uniformity in all Governments of the Union, and secondly, in order to exclude the possibility that the law and practice of any particular State may prevent effective audit.

2. The considerations elsewhere mentioned in relation to the superior judiciary apply also in relation to the Auditor-General and the Auditors-in-Chief, if any, whose conditions of service should therefore be dealt with on the same lines.

#### ELECTIONS

Article 289 contemplates

- (a) the appointment by the President—or, as the case may be, by the Governor, of an Election Commission; and
- (b) the appointment by such Election Commission or Election Tribunals for decisions of doubts and disputes arising out of or in connection with the specified elections.

But the Constitution contains no provision calculated to ensure that the persons to be appointed to these bodies would be given such conditions of service as would enable them to discharge their duties with a modicum of impartiality, integrity and fairness.

2. In particular, the contemplated election tribunals seem to us to be a mischievous institution. It is true that election tribunals have not been unknown in our unhappy parliamentary history so far, but the record of such tribunals, for instance in the Punjab, where they consisted of persons drawn from practice, or otherwise, and appointed on a temporary basis, holding office at the will of the Minister and looking to the Minister for permanent preferment—has been singularly depressing. And their continuation, albeit under the aegis of the Election Commissions, will only provide a potent source of corruption of public life. The superior judiciary alone can fairly and impartially adjudicate such disputes, and they alone would command the confidence of the public. The constitutional law of the British Commonwealth furnishes precedents for entrusting such jurisdiction to superior courts; of, for instance, the legislation referred to in *Valin V. Longlois*, 5 App Cas 115. We would, therefore,

suggest that the Article should be amended so as to provide that all doubts and disputes arising out of or in connexion with the specified elections shall be determined by a Board of three Judges of the Supreme Court or, as the case may be, of the High Court, to be nominated by the Chief Justice.

3. The Election Commissions to be entrusted with the administrative arrangements relating to the elections should consist, we think, of senior permanent civil servants; and private citizens,—especially members of political parties—should be excluded therefrom. This is necessary in order to ensure that the Commission functions impartially and efficiently. If this view is acceptable, it is worth while carrying it into effect by express provision in Article 289.

## THE ADMINISTRATION OF NATIONALIZED INDUSTRIES IN BRITAIN

By WILLIAM A. ROBSON

As a result of the return to power in 1945 of a Labour Government pledged to large measures of nationalization and physical planning, Britain is now confronting a series of new and difficult problems of public administration in these spheres of activity.

The field covered by the Government's nationalization policy extends broadly to the fuel, power, and transport industries and the Bank of England; the inclusion of the iron and steel industry hangs in the balance. The construction and development of new towns is a novel enterprise which falls into a special category of its own. The transfer to national ownership of the hospitals relates to a social service rather than to an economic undertaking and hence falls outside the scope of this article. It would need to be considered in relation to the new national health service of which it forms a part.

### I

The degree to which this programme has secured legislative realization is as follows. Parliament has passed statutes nationalizing the Bank of England, the coal-mining industry, all forms of inland transport and the gas and electricity industries. The Civil Aviation Act, 1946, established three air transport corporations with exclusive rights to operate scheduled services within the United Kingdom or on international routes. It also enables the Minister of Civil Aviation to own and operate civil airfields, and all the airfields in Britain required for scheduled air services will be managed by his department. The New Towns Act, 1946, authorizes the Minister of Town and Country Planning to create new towns either on virgin land or on the sites of existing small towns or villages; and he can set up any development corporation for the purpose of executing the work.

The Transport Act, 1947, nationalizes the railways, the inland waterways, and to some extent the trade harbours. The road haulage undertakings mainly engaged in the conveyance of goods for hire or reward over long distances (forty miles or upward) will also be taken over, but those operating local tra-

ffic or engaged in the private carriage of goods for manufacturers or traders are unaffected. Road passenger transport services may be subject at a later date to development schemes involving public acquisition and management.

The Electricity Act, 1947, completes the movement towards the nationalization of electricity supply which was begun in 1926, when the Central Electricity Board was set up to construct and operate a nation wide system of interconnected generating stations known as the grid. The earlier legislation introduced a large measure of public ownership and control over the generation and distribution in bulk of electricity, but left the generating stations and the detailed distribution to consumers in the hands of 'authorized undertakers.' Approximately two thirds of these were town-councils and one-third public utility companies. Now the whole mass of the undertaking has passed into national ownership and an integrated system of management.

The Gas Act, 1948, transfers the entire gas industry to public ownership. Hitherto about a third of the industry was owned by town councils and two thirds by public utility companies. In future it will be operated by a series of regional Gas Boards appointed by the Ministry of Fuel and Power.

The Town and Country Planning Act, 1947, entirely transforms the legal and administrative framework of town and country planning. Under this bill the development rights over all land will be acquired by the public and vested in a body-called the Central Land Board. This board will exercise, in conjunction with the central and local planning authorities, control over the development of land no matter for what purpose it may be required other than its present use.

These ambitious measures involve the establishment of new institutions of various kinds. One of the most amusing of Low's cartoons showed Mr. Dalton, as Chancellor of the Exchequer, leading a very dissolute old lady of Threadneedle Street, accompanied by several children of dubious origin, to the altar and making an honest woman of her. This appeared on the occasion when the Bank of England became a public corporation. In civil aviation we have BOAC (set up in 1939) for the Commonwealth, Empire and North Atlantic services, BEAC for the European services, and BSAAC for the routes to South America. The National Coal Board has already taken over the entire coal mining industry and its pennant flutters over every pithead. Development corporations have been designated to build towns in the London Region, and elsewhere.

A British Transport Commission has been appointed with general powers to carry goods and passengers by rail, road and inland waterway and to provide port facilities. Below the Transport Commission are to be a series of executives. There is a railway executive, a docks and inland waterways executive, a London Passenger transport executive to replace the London Passenger Transport Board and a hotels executive to manage the hotels owned by the railways. The Electricity Act set up a new British Electricity Authority, to supersede the Central Electricity Board, together with a number of area electricity boards. The Electricity Commission will disappear in due course.



The Gas legislation established Area Gas Boards and a National Gas Council.

All these bodies are public corporations and so too is the Central Land Board. We may therefore confidently assert that the public board or corporation has come to be recognized as the appropriate instrument for operating nationalized industries, public utilities, or services requiring management of an industrial or commercial character. I have discussed elsewhere<sup>1</sup> the advantages which this type of institution possesses over a government department in charge of a minister; and it is unnecessary to repeat the analysis. The public corporation has arrived in Britain. Its merits are recognized by all political parties despite differences of opinion among Labour, Liberal, and Conservative politicians as to the structure, powers and degree of independence which such bodies should possess. There is, of course, substantial disagreement between the Government and the Opposition concerning nationalization policy, but that is a different matter. All parties have contributed to the evolution of the public corporation. It will probably occupy in the future as formative and central a position in the sphere of public enterprise as that which the joint stock company has occupied during the past hundred years in the sphere of private enterprise.

We are, then, experimenting with one of the most significant institutional innovations of our time. On the outcome of that experiment will depend in large measure the success or failure of the great effort at economic reform, increased efficiency, and physical improvement which Britain is now making. Great changes have also been made in the central government in order to bring its organization into line with modern needs. Of the seven new permanent departments created since 1939, no fewer than four are concerned with the fields of activity in which these public corporations will be engaged; namely, the Ministry of Fuel and Power, the Ministry of Civil Aviation, the Ministry of Supply, and the Ministry of Town and Country Planning.

## II

The members of the boards of these corporations are in all cases appointed by the relevant minister, though the governor and the court of directors of the Bank of England are appointed formally by the King. There is no repetition of the device of an intermediate body of 'appointing trustees' used in connexion with the London Passenger Transport Board. Nor is there any attempt to secure the representation of sectional interests, as in the Port of London Authority. But ministers are required to have regard to certain qualifications in appointing men to the highest positions. Thus, the chairman and members of the National Coal Board are to be selected from persons who have had experience of and have shown ability in industry, commerce, finance, applied science, administration, or labour organization.

There is considerable diversity in the size, tenure, and character of boards. In all the earlier models the idea prevailed that the members should be

<sup>1</sup> William A. Robson, ed. *Public Enterprise*, George Allen and Unwin, 1937.

part-time directors, though the chairman was usually full-time except in the case of the British Broadcasting Corporation. The intention was to obtain the services of men of established reputation and wide experience to decide matters of general policy, leaving executive responsibility to a chief executive who was sometimes, but not always, a member of the board. Government practice in this matter has often followed unthinkingly in the footsteps of commercial companies, who frequently appoint eminent nonentities to their boards in order to inspire investors with confidence and hence to maintain the market prices of their shares. The weakness of a part-time board consisting of busy men of affairs giving only a fraction of their time to the business of the public corporation and often dominated by a chairman or chief executive of strong personality has become increasingly evident in some of the older examples, such as the London Passenger Transport Board and the BBC. The idea is gaining ground that a functional board of full-time executives is necessary for the conduct of great industries. And so the National Coal Board consists of a chairman and eight other full-time members each of whom is in charge of a particular branch of the work, though responsibility for the industry rests with the board collectively. The Transport Commission and the British Electricity Authority follow the same principle.

It must be admitted that considerable difficulty exists in finding suitable men for these key positions. The task of running a great nationalized industry or of building a new town requires qualities of a very high order, which are by no means necessarily the same as those needed for success in private business or industry or for outstanding achievement in the Civil Service. Yet these are the sources of recruitment to which ministers naturally tend to look. We shall no doubt in course of time train a new type of executive who will have a new outlook, new methods, and new techniques. Meantime we have to get along as best we can with the existing material.

In my view democratic principle makes it essential that the boards of these public corporations should be broadly acceptable to the ministers of the day. This certainly does not mean, in the framework of English public life, that a spoiled system should or will prevail or a general clearance take place on a change of Government. Rather, it means that in the event of a serious conflict between a corporation and the Government the latter would have the means of making its will prevail—in the last resort, by changing some or even all the members of a board.

The present position in this respect is that in most instances a member can be removed for misconduct, absence abroad, or inability. The New Towns Act in addition enables the Minister of Town and Country Planning to remove any member of a development corporation whom he is satisfied 'is otherwise unable or unfit to discharge the functions of a member, or is unsuitable to continue as a member.'<sup>1</sup> This gives the minister almost unlimited discretion. At the other extreme we find the Bank of England, whose directors are appointed for a fixed term of four years, subject to any disqualification

<sup>1</sup> *New Towns Act, 1946*, 9 & 10 Geo 6, ch. 68.

which may be imposed by the bank's charter. A common legislative practice is to require board members to hold and vacate office in accordance with the terms of their instruments of appointment. This may enable a minister to appoint a member until such time as he is asked to resign. A preferable method is that adopted in the Coal Industry Nationalization Act whereby the minister may make regulations with regard to the tenure and vacation of office by board members. This should give the minister all the power he needs but require him to exercise it openly and in a somewhat formal manner.

The size of the boards varies among the several corporations. It may well be that the optimum number of members will depend to some extent on the character of the undertaking. An important point to notice in this connexion is that in some instances the legislature prescribes a fixed number of members on a board; in others it merely defines an upper and a lower limit; in yet others it states only a maximum. Thus, the National Coal Board must consist of a chairman and eight other members; the court of directors of the Bank of England numbers sixteen, together with the governor and the deputy governor. Each of the air transport corporations, on the other hand, has a board numbering not fewer than nine members, exclusive of the chairman and deputy chairman, as the minister may determine from time to time. Examples of the third type are the development corporations whose boards may not exceed seven ordinary members, the British Electricity Authority which may not have more than six ordinary members, and the Central Land Board, whose membership may not exceed ten. If a minister appoints a board of the second or third type mentioned above well below the maximum permitted strength, he can always add to its numbers at a later stage if he desires to promote a particular policy or to swamp any element on the board with which he disagrees. I do not think this was the intention behind these provisions, but it offers an obvious opportunity for Government influence. The salaries paid to the board members reveal a tendency to work out at higher levels than those prevailing in the top ranks of the Civil Service but below those paid to outstanding commercial and industrial leaders in private enterprise.<sup>1</sup> It is only very occasionally that one hears of men refusing invitations to serve on the boards of public corporations on the ground of inadequate salaries, though there are many instances where acceptance has involved the appointee in financial loss. The extremely high rates of income tax may have something to do with this relative indifference to financial reward, but the prestige, importance and interest of the work of the public corporation is probably a more potent factor in attracting men of outstanding ability.

The staffing of the corporations has not on the whole presented such difficult problems as the board appointments. The corporations are free from Civil Service regulations regarding their personnel, although ministers are beginning to show an interest in the salary scales fixed by the boards for their employees.

<sup>1</sup> The chairman of the National Coal Board receives £8500 a year the chairman of BOAC £7500 and the chairman of BEAC £6500 a year. The other members of the Coal Board get £5000 a year. The top salaries in the Civil Service are £3500 except the permanent secretary to the Treasury who receives £3750, a year.

A corporation which offers higher rates of pay than those prevailing elsewhere may not only lead to unwelcome demands for a levelling up to those high rates but may also increase the taxpayer's liability. BOAC, for example, which has hitherto been operating on a substantial deficiency grant from the Treasury, was for long paying its W/T and radio operating staff higher rates than the Air Ministry or Post Office for similar grades. There are obvious disadvantages in such a situation.

The Government's views on this question as related to the BBC have recently been stated in the White Paper on Broadcasting Policy (Cmd 6852/1946). They are that 'in staff matters, the Corporation should retain the general independence which it now possesses, and Government control should be restricted to laying down broad limits of policy within which it should work; nevertheless, the Corporation has been informed that, while it is not rigidly bound to relate the salaries and conditions of employment of its permanent staff to those ruling in the Civil Service, it should, in fixing such salaries and conditions, pay proper regard to those of the Civil Service and to the greater security offered by employment in a Public Corporation, as compared with employment in most business concerns.'<sup>1</sup> It may be assumed that this view would apply equally to the staffs of other corporations.

The corporations engaged in operating nationalized industry will clearly have to choose a considerable proportion of their managing and technical personnel from the ranks of those with previous experience of the industry. In civil aviation, BOAC, BEAC and BSAAC are drawing heavily on the large numbers of men and women who served with distinction during the war in the R.A.F., the Fleet Air Arm, and the Air Transport Auxiliary. But civil aviation differs entirely in its outlook, methods and objects from military aviation, and elaborate retraining courses are required for almost everyone.

The development corporations have by far the hardest personnel problems. What kind of a staff should one assemble to embark on the exciting adventure of building a new town? It is difficult to specify strictly relevant experience. Job analysis breaks down. The easy assumption that engineering comes next to godliness in such a task fades away after a little reflection. Obviously a team is needed, but what sort of a team? One could fill a dozen pages in discussing this one problem.

### III

All the public corporations referred to in this article are liable to a much greater degree of ministerial intervention than was applied to prewar institutions. The principle that the minister who is responsible to Parliament for a particular industry or service should be able to determine the policy of the public corporations which are operating it is firmly held by the Government and their supporters in Parliament. I have been informed by more than one minister that the views I expressed on this subject in *Public Enterprise*, published in 1937, have influenced the course of events. 'Apart from control in time of emergency, ministerial influence in the conduct of these public

<sup>1</sup> *Broadcasting Policy*, Cmd. 6852 H.M. Stationery Office, 1946, p.9.

boards should remain restricted to major questions of policy' (p.381). The relinquishment of ministerial responsibility to Parliament for the day-to-day administration of these boards does not in any way dispense with the necessity for retaining the right of ultimate Government control in time of emergency or in case of abuse of power or dereliction of duty. 'In appropriate cases a minister should have the power to issue regulations of a general or particular character appertaining to the service' (p.382).

All the recent legislation dealing with nationalized industries and services has given ministers a power of this kind. The Minister of Fuel and Power is authorized, after consultation with the National Coal Board, to give it directions of a general character relating to matters appearing to him to affect the national interest. Furthermore in framing its programmes of reorganization or development involving substantial capital expenditures the board is required to act on lines settled from time to time with the approval of the Minister. The same principle applies to training, education, and research in the coal industry. A similar power of giving general direction to the air transport corporations is vested in the Minister of Civil Aviation. The Transport Act confers powers of the same kind on the Minister of Transport; and the Electricity and Gas Acts contain corresponding provisions. The Treasury may give such directions to the Bank of England as, after consultation with the Governor of the Bank, they think necessary in the public interest. In addition, Government departments are given many specific powers of control over the corporations, particularly in regard to financial matters, audit, borrowing, the disposal of any surplus or profit, the form of the accounts, and so forth. Each board normally makes an annual report to the Minister, who lays it before Parliament.

If further evidence were wanted of the tendency towards increased governmental control, it could be found in the recent change in the position of the Forestry Commission. From its establishment in 1919 to 1945, one of the forestry commissioners was a private Member of Parliament who answered questions in the House of Commons for the commission. The commission made an annual report direct to Parliament; its accounting officer was summoned from time to time to appear before the Public Accounts Committee. Under the Forestry Act, 1945, the Minister of Agriculture in England and Wales and the Secretary of State for Scotland are made the responsible ministers and the commission is required to comply with any directions they may give.

If ministers are to exercise their powers of direction and control wisely, they will have to think out the fundamental question of the proper relation between a Government department and a nationalized industry. It is quite different from the relationship between even a specialized economic department and an industry under capitalist ownership and management. Except in war-time, the Ministry of Transport, for example, or the Mines Department of the Board of Trade (which was the predecessor of the Ministry of Fuel and Power) possessed relatively little knowledge of, and still less power over, the inland transport and fuel industries. They were sincerely anxious to nurse and to

aid those industries and to protect the public interest at a few conventional points. But so far as the organization, the economic efficiency, or the technical adequacy of the collieries, the railways, the canals, the ports, and the harbours was concerned, the departments were ignorant, ill-equipped, timid and indifferent. They felt it was just not their business to meddle in these matters or even to know about them.

A revolutionary change of outlook is required in the departments dealing with nationalized industries and services. There are already signs of such a change. The Ministry of Civil Aviation, for example, is being laid out on lines which will enable it to play an authoritative part in the planning of new air services and in fostering development and research in all aspects of civil aviation. It will have a fully competent administrative, technical, and professional staff to deal with civil airfields, which it will manage directly, together with air traffic control and telecommunication services. The main spearhead for the development and production of large civil transport aircraft will be the Ministry of Supply, acting in close conjunction with the Ministry of Civil Aviation and the operating corporations, though the design and manufacture will be conducted by the aircraft industry.

The essential functions of a Government department dealing with a nationalized industry are to measure its performance, to see that it keeps technically up-to-date and economically efficient and to ensure that it is operated in such a manner as to provide the greatest amount of service to the largest possible number of consumers at the minimum cost consistent with financial self-support. To do these things effectively it must regard its own planning, research, statistics, intelligence and audit functions as of supreme importance. Here again, large changes of outlook and advances in technique are required on the part of Government departments.

#### IV

The price policy of nationalized industries is a very large subject which demands the serious attention of economists. The assumption underlying the nationalization of coal mining, electricity supply, gas supply and inland transport is that these industries can and must be self-supporting, and that some or all of them may produce a surplus or profit forthwith or in the course of time. It is also believed that the new towns will eventually provide an adequate return on the capital expended and that the large outlay of public money on the acquisition of development rights in land will be recouped by the charges made to approved developers by the Central Land Board. The Bank of England has for long been virtually a gilt-edged security and the Chancellor of the Exchequer stated that the public had made a very good bargain with the share-holders.

At the same time, it is recognized that very large sums will have to be advanced from public funds for the purpose of capital development and also, in the case of air lines, to meet annual deficits in the first few years of operation on many international routes.

The National Coal Board has a statutory duty to pursue a policy which will insure that its revenues shall suffice to meet outgoings properly chargeable to

revenue account (including debt charges on compensation paid for expropriation and on sums advanced by the Government to finance capital expenditure) on an average of good and bad years. This policy must be pursued consistently with the proper discharge of the board's other duties, which include 'making supplies of coal available, of such qualities and sizes, in such quantities and at such prices, as may seem to them best calculated to further the public interest in all respects, including the avoidance of any undue or unreasonable preference or advantage.'<sup>1</sup> This obligation will leave the board with a very wide latitude as to price policy, provided it manages to break even over a course of years. It will permit a differentiation between prices for export and home consumption; between coal sold for industrial purposes and for domestic use; between coal sold for consumption near the pithead and that sold to consumers at a greater distance. Any financial surplus may go either to a reserve fund or to such statutory purposes as the board may determine or the minister may direct with the approval of the Treasury. The air transport corporations, on the other hand, may be required to hand over any excess revenues which they may make to the Exchequer.

Within the framework of this broad obligation to be economically self-supporting, the public corporations will be largely free to determine their own price policies. There will be as much room for diversity and experimentation, for undercharging and overcharging different classes of consumers and different categories of goods or services, as exists under private enterprise. The price and profit mechanism will remain of great importance but it may be overshadowed by larger questions of public policy. For example, the overseas air services can be developed either with the object of providing very fast and luxurious aircraft at very high fares or with the aim of promoting cheap mass travel at moderate speeds under simpler conditions. The two types might be equally profitable. The North Atlantic shipping companies of all countries have in the past concentrated on the former object but a public corporation might well prefer the latter on grounds of public policy.

One of the interesting features of the Civil Aviation Act, 1946, is that it breaks away from the idea of the single monopoly which had hitherto been set up in every instance where national ownership of an industry or a public utility had been introduced in Britain. BOAC was originally set up in 1939 to take over and operate British overseas air services throughout the world. Only after a long struggle inside the Air Ministry and the Ministry of Civil Aviation was this arrangement replaced by three separate corporations, which may in due course be joined by others. It is true that the air transport corporations will not compete with one another directly, since they will fly different routes, but there will be indirect rivalry between the independent managements. In any event there will be less danger of uniformity and more likelihood of diversity and experimentation in both the technical and administrative spheres. Direct competition in the air will come, as regards the overseas routes, from foreign air lines.

<sup>1</sup> *Coal Industry Nationalisation Act, 1946.* 9 & 10 Geo. 6. ch. 59, Sec.1.

The determination of the optimum size of the operating unit is a matter of the first importance in relation to nationalization. The hasty and ill-considered assumption by many Socialists that a national monopoly is inevitably the right solution shows that they do not understand the problem. A test case occurred when the gas industry was placed under national ownership in accordance with the Government's declared policy. The Heyworth Committee—an official nonpolitical committee presided over by a leading industrialist—recommended that there should be autonomous gas boards set up in ten great regions. The committee rejected entirely the idea of a national gas corporation, on the ground that there are no important problems in the industry which are by their very nature, nationwide. 'It is not economically possible for gas to be provided everywhere; a national grid is not practicable; nor can selling prices usefully be determined on a national basis. Complete centralization can therefore be safely rejected as inappropriate.'<sup>1</sup> Fortunately the Government adopted the committee's proposals for decentralized control and multiple operating units.

## V

It can be seen that Parliament plays a decisive part in embodying nationalization policy in legislation. The public corporations owe their existence to statutes which not only lay down the purposes, functions, and duties they are to carry out but also clothe them with powers of the most ample character. So wide are these powers, indeed, that judicial control by the courts is likely to be of rare occurrence and marginal importance.

Parliament will not be able to exercise effective control or supervision over the operations of the public corporations. The time at the disposal of the House of Commons for this purpose and its procedure do not permit of any real supervision over the administration of even the regular departments, let alone such comparatively extraneous bodies as these corporations. For the task of general supervision and direction on questions of major policy we must look to ministers and their departments. Even for them it will be no easy task.

In most cases, though not all, the consumer is provided with some extra-Parliamentary and nonpolitical mechanism by which he can air his grievances and bring complaints. The coal industry is to have an Industrial Coal Consumers' Council and a Domestic Coal Consumers' Council composed of representatives of the Coal Board and of the interests concerned. These councils are to consider and to report to the minister on any matter affecting the supply of coal and allied fuels, and it will be for him to take the necessary action, where a defect is disclosed in the board's general arrangements, by giving it the appropriate directions. Each council will have its own staff and will report annually to Parliament. Regional councils can also be provided.

In the field of civil aviation an Air Transport Advisory Council has been set up. It will consider representations respecting the adequacy of the facili-

<sup>1</sup> *The Gas Industry*, Report of the Committee of Enquiry, Cmd, 6699. (H.M. Stationery Office, 1945), p.41.



ties provided by the corporations and the charges made for them. It will also examine any question of a similar kind referred to it by the minister. The council reports its conclusions and recommendations to the minister. The Air Transport Council, like the Coal Consumers' Councils, is advisory to the minister. He appoints the members and provides them with staff, accommodations, information, and such other assistance as he thinks expedient. It is for him to take whatever action is called for by their investigations.

Bodies of this type may provide a safety valve which will permit dissatisfied members of the public to let off steam. The advisory council will also possess a certain detachment from both the Government department and the public corporation concerned with an industry. Hence it may be able to give disinterested judgment on complaints and offer valuable advice as to remedies. But it is in no sense an administrative tribunal or a regulatory commission. Only time will show whether it provides a sufficient safeguard for the interests and legitimate grievances of the consumer.

The Electricity Act provides for an elaborate network of consultative councils to represent consumer interests in the area of every regional area board. Each council will consist of from twenty to thirty persons, of whom not fewer than half will be appointed from among members of local authorities. The remainder will represent consumers of electricity and other persons or organizations interested in its development.

The duty of a council is to consider any matter affecting the distribution of electricity in its area, including the variation of tariffs and the provision of new or improved services and facilities. The matter may come before it by way of complaint or otherwise; it is also free to act on its own initiative. It is to be kept informed of the area board's general plans and arrangements; and the area board is required to consider the reports and recommendations made by its consultative council. If the council is not satisfied with the action taken or agreed to be taken by the area board it can go higher and make representations to the central British Electricity Authority, which can then give directions to the area board to remedy the defect which has been disclosed.

The Transport Act continues the long-established tradition in the field of railway operation of conferring regulatory and judicial powers on an administrative tribunal. The Railway and Canal Commission, an obsolete and muscle-bound court of antiquated design has been abolished and its jurisdiction transferred to the Railway Rates Tribunal (set up under the Railways Act, 1921) which is renamed the Transport Tribunal. The British Transport Commission will submit charges schemes to the tribunal for confirmation. Subsequently the tribunal may alter any charges scheme at the request of interested parties and the minister may at any time require the tribunal to review the working of a scheme.

## VI

Here in brief outline are the basic conceptions and the administrative framework in which the nationalization programme of the Labour Government is embodied. Great problems are raised by these measures—problems of administrative organization, of economic policy, of personnel management,

of ministerial supervision, of consumer control, of the relations between the nationalized and privately owned sectors of the economy. We shall not know the answers for several years. It will probably take almost a decade before it will be possible to state authoritatively whether the policy of nationalization is working out successfully in the long run, at least so far as transport, coal, gas and electricity are concerned.

In the meantime, the British people have embarked on a series of experiments of immense importance to the whole world. The outcome of those experiments will probably exert a profound influence on the course of public policy in many countries. For the practitioner and student of public administration, Britain is today a 'theatre of operations' of intense interest.

## POLITICS IN SINKIANG

*By* CHEN HAN-SENG

UP to the time when Sinkiang was made a Chinese province this west border land in Central Asia was known to the Chinese as Hsi Yue. As early as 115 B.C. Emperor Wu Ti of the Han Dynasty sent his ambassador and other envoys to Hsi Yue, who were followed by Chinese troops. During the period of 101 to 36 B.C. nearly all the kingdoms in Hsi Yue recognized the suzerainty of the Chinese Emperor. Then a series of able commanders aided by cavalry and military colonization continued to keep order among the oases of the Tarim Basin up to the middle of the 3rd century A. D.

Chinese reconquest of Hsi Yue took place in the Tang Dynasty when the western Turks were driven out of Zungaria, some fleeing to India and others across Russia into Hungary. The Chinese Emperor established two military governerships, one north of the Tien Shan range and the other south of the mountains. From 657 to 751 the oasis kingdoms had to acknowledge Chinese suzerainty. In a battle near the Talas River in July 751 the Prince of Tashkent, aided by the Arabs, disastrously defeated the Chinese invasion. Thus these kingdoms promptly freed themselves of the Chinese rule, and Hsi Yue was not conquered by the Manchu Emperor governing from Peking until the second half of the 18th century.

The policy of the Tang Dynasty in Sinkiang was more aggressive and more successful than that of the Han Dynasty. The Tang embassies were sent not primarily for bribery as during the Han period, but for the purposes of intelligence. Princes were sent for marriage but territory as dowry was demanded. Instead of individual hostages large numbers of Iranians, then the majority of the population, from Hsi Yue were brought to settle in the northern parts of the two Chinese provinces of Kansu and Shensi. Not only Iranian soldiers were utilized in military campaigns but even Iranian and Uighur generals were appointed for the Imperial services. Moreover, both military and civil administrations, on both sides of the Tien Shan, were expanded and elaborated. By 742 there had been a Chinese frontier army of 490,000 men with a total of more than 80,000 horses. No less than ten marshals had been appointed to supervise the frontier military bases.

In the latter half of the 18th century the Manchu policy in Hsi Yue was militarily much inferior to that of Han Dynasty, nor was it politically equal to that of Tang Dynasty. The very crude and cruel nature of the Manchu policy was shown by the unprecedented massacre in Zungaria, the region north of the Tien Shan. Manchu and Chinese officials in Hsi Yue oppressed the Uighurs, Kazakhs and Mangols far more than they dominated over the Chinese in China.

As an echo of the Taiping Rebellion in the middle of the 19th century, Moslem peasant revolts broke out in Yunnan in China's southwest and spread to north-western provinces. They were most articulate in Zungaria and the Tarim Basin. The peasant rebellion in Sinkiang finally resulted in the well-known Yakub Beg Revolt. For the suppression of this revolt the Peking Government for the first time in its history resorted to foreign loans.

Tso Tsung-tang, the Chinese general in the service of the Manchu Court, who had already done so much to subdue the Taipings and proved himself loyal to the Manchu Emperor, was appointed commander-in-chief for the Sinkiang expedition. The chief manager for the entire army was selected by Tso in the person of Liu Ching-tang, who proved himself to be so able and efficient that later he became the first governor of Sinkiang.

In the autumn of 1877 the four eastern cities, Kucha, Baicheng, Aksu and Uch Turfan, were taken by the Chinese army. And in the beginning of 1878 the four western cities, Kashgar, Yarkand, Yangi-hissar and Khotan, were also taken. The people were too heavily taxed by Yakub Beg to sympathize with his régime, and were even glad to welcome Tso's army.

Before the Sinkiang campaign was fully carried out, however, there had been a serious debate in Peking as to its real worth. Li Hung-chang, the Viceroy of Chihli (now Hopei), and Bau Yuan-sheng, the governor of Shansi, were of the opinion that the Sinkiang campaign should have been abandoned in order to concentrate energy on coastal defence. Tso Tsung-tang, on the other hand, strongly advocated the continuation and completion of the land campaign in the northwest, and even pointed out the great danger of not taking and garrisoning Urumchi.

It is not insignificant to hear the arguments of Li and Bau. First, they said, that land defence was not so important as coastal defence. 'The capital is near the sea, and is closely linked with coastal defence. In case the capital is lost, there would be no use to hold Sinkiang. The northwest land expedition therefore is not so urgent nor so important as coastal defence.' Second, it would be financially difficult and militarily risky to push the campaign beyond the Kansu border. The suppression of the Taiping and other peasant revolts in China had already heavily drained the national treasury, and the demand of a Sinkiang campaign would raise serious financial problems. As time went on, it was argued, the chances of military success must be expected to decrease.

According to this view not only was it almost impossible to look after the defence of both coast and the northwest land frontier, but to keep Sinkiang within the Chinese boundary would be a great loss anyway. Sinkiang was not a revenue-yielding region; it was on the contrary an administration to be

heavily subsidized by the Imperial treasury. To maintain Sinkiang would not only be a financially losing proposition but also disadvantageous in international relationships. China was not expected to have enough strength to ward off Russia, Britain, Persia and Turkey, all with some interests in Zungaria or the Tarim Basin. It would be more practical to give up Sinkiang rather than attempt to keep it temporarily.

Based upon the above reasons Li Hung-chang advised the Imperial Court to suspend the northwest expedition in Sinkiang. Concretely, he did not want to see any more troops marching beyond the Kansu border, and if possible he wished to recall some of them from outside that border. Those troops to remain in the Ansi and Tunhuang areas, in his opinion, should settle down in agricultural colonization thereby forming a permanent frontier militia. The local rulers of Ili, Urumchi, Kashgar etc. should be acknowledged as Chinese protectorates or tributaries, similar to Annam, Korea, or the Miao, Yao, Thai tribal chieftains on the borders of Yunnan, Kweichow and Szechuan.

In direct opposition to Li Hung-chang's policy of abandoning the Sinkiang expedition, Tso Tsung-tang was vehement for the suppression of the Yakub Beg rebellion and the preservation of Sinkiang. According to him, Sinkiang is of the utmost strategic importance to north China, in that the defence of Peking has had to rely on the military posts at Kalgan, Uliasutai and Kobeto, and the defence of Mongolia depends upon the security of Sinkiang. Furthermore, China's seaboard is not threatened by foreign powers as these powers have been interested only in obtaining commercial privileges, and not in occupying any territory which would inevitably involve military and civil administrative expenses. Tso argued that Zungaria was militarily more strategic than the Tarim Basin. In order to have a firm hold on Sinkiang it would be necessary to keep Urumchi, as well as Barkul and Hami to the east and Tarbagatai to the northwest. Tso therefore would not listen to any idea of economy or defence until these posts in northern Sinkiang were captured and well administered.

Tso had real conviction of the importance of Sinkiang. When the British Minister in Peking suggested to the Manchu Court that Yakub Beg's régime might be treated as China's protectorate, Tso vigorously opposed it. Again when the Chinese Minister in London tolerated the British proposal of recognizing a separate kingdom in Kashgar, Tso countered by suggesting that if the British had been sincere towards Kashgar they should have ceded some Indian territory to it and if the British Minister in Peking had wanted to negotiate would have gone to Tso's own headquarters at Suchow in Kansu. With this resolute attitude and with a firm military policy, Tso moved his troops into the Tarim Basin and conquered it right after Zungaria.

Chang Chih-tung, the famous Viceroy of Hupeh and Hunan and, together with Li and Tso regarded as the triumvirate in China in the latter part of the 19th century, leaned more towards Tso's policy rather than towards Li Hung-chang's. Chang advocated the idea of sending a Chinese Mission to St. Petersburg for a new negotiation regarding Ili. At that time, while Tso was in Sinkiang, Li was in Tientsin and Tseng Kuo-chien, the younger brother

of Marquis Tseng Kuo-fan, was at Shanhaikwan, the eastern terminus of the Great Wall, representing defence commanders on all fronts. Perhaps the real reason why the Manchu Court in Peking decided in favour of Tso's policy, was out of a reverent respect for the military records of Imperial ancestors. Zungaria and Tarim Basin were once conquered and consolidated by Emperor Chien-lung in the middle of the 18th century, and it would not have appeared filially pious had the Imperial Court not restored Sinkiang, including Ili, to the Empire.

Tso's policy in Sinkiang was seen in his caution of selecting civil and military officials as well as in his partiality and harshness against the Tungans (Moslems in Sinkiang largely of Chinese race). Both these characteristics were of course prominent measures to obviate future rebellion. The majority of his staff and administration were his relatives and clients from his home province of Hunan. This accounted for the fact that towards the end of the 19th century Hunan officials almost completely dominated in the Sinkiang administration. Evidently Tso regarded the Uighurs as rebels whereas he regarded the Tungans as traitors. The latter are largely Chinese by descent, though with the Uighurs they had taken up the Islamic religion. Partly out of hatred against traitors and partly with the idea of 'divide and rule,' Tso showed the greatest clemency to the Uighurs, the Kazakhs and the Mongols, but massacred the Tungans in great numbers. This sowed the seeds of revenge and later resulted in the Tungan rebellion, or the prelude to the Yakub Beg régime.

Even after the conclusion of Tso's military campaigns in the Tarim Basin there were debates among the high officials and in the Imperial Court as to the status of this reconquered region. Finally the view championed by Tso but modified by his subordinate Liu Ching-tang was adopted by the Manchu Emperor. Sinkiang was made a province by the Imperial Edict of 18 November 1884. At first a little over twenty districts were organized, but by 1938 some nine administrative regions comprising a total of seventy-two districts had been established.

The Chinese in this new province may be classified into four categories. First, the criminals and officials who were banished from China during the second half of the 18th and the first half of the 19th century. Second, military and civil officers in Sinkiang, mostly from Hunan, Yunnan, Kansu and the northeastern (or Manchurian) provinces. Third, Chinese merchants in Sinkiang, including the money exchange people from Shansi, traders from Tientsin area, and tea brick merchants from Hupeh and Hunan. Fourth, Chinese peasants, whose immigration dates back to 1776, when the Imperial Edict provided for a subsidy for those who were ready to settle themselves in this north-west frontier region.

What is the formula that makes it possible for a small minority of Chinese, not more than 5 per cent of the total population, to rule an alien domain? The answer is indirect rule, a method of colonial government that was perfected by the British and copied by the Manchu rulers. The basic idea of indirect rule is to leave the traditional Uighur and Kazakh and Mongol feudal struc-

ture more or less undisturbed while utilizing the existing Beks and princes and their successors as instruments of Chinese rule. In Sinkiang, just as in Sikong and the southernmost parts of Yunnan, there are two-strata administrations, as a result of this indirect rule. The upper stratum is Chinese and the lower one is indigenous. Most obviously, the chief defect of this indirect rule is that instead of promoting political and administrative progress, it fortifies the decadent *status quo*, preserves the feudal system, and hinders true reform and progress.

While bribery, corruption and venality are almost endemic with the lower stratum of administration, the quality of the upper administration is naturally subject to the policy of the governor or the chairman of the provincial government. This policy, as it has so far evolved, has developed roughly in three distinct stages. Hercules, it is said, dealt with the hydra by sword, fire and burial. Likewise the Chinese rulers in Sinkiang have pursued more policies than one.

From 1884 to 1933 it was a period of about half a century during which feudal bureaucracy was not prominent. Governor Yang Tseng-hsin and Governor Chin Shu-jen were perhaps the last exemplars of Imperial bureaucrats, though both served under a Republican Chinese régime. This was followed by a decade of warlordism, 1933 to 1944, under the dictatorship of General Sheng Shin-tsai. The more recent period, since 1944, is distinguished by a unique policy, which for no better term may be called frontier racket.

In Sinkiang, as in the other parts of China's western borderland, the Chinese introduced the conception of the private ownership of land much as the British did in India. As in India, this was brought about by a new tax system. The various non-Chinese peasants had cultivated communal land, land held by their nobility, or land permanently leased by their chieftains, and taxes were paid on a household basis. When the Chinese instituted their system of land tax based solely on land ownership, they had to measure the land and turn it legally into private property. This change could not be achieved rapidly throughout the province because of inadequate finance and personnel, and particularly because of local opposition. Chinese bureaucrats therefore had to farm out the land tax to the Beks (nobles or gentry) who in turn collected it from the aksakals (village headmen). While continuing to render the traditional tributes and covee to their chieftain and nobles, the peasants now have to pay an additional tax to the Chinese bureaucracy. This indirect rule or two-strata administration at least doubles the burden on the producers.

A Swiss traveller in this period made the following pertinent remark. 'In Chinese Turkestan . . . . the people were plundered in order that their rulers might grow rich . . . . The Beks were far too content with their present position . . . . So long as they kept the Chinese well supplied with money and did not bother them, no question was asked.'<sup>1</sup>

<sup>1</sup> W. Bosshard 'Politics and Trade in Central Asia,' *Journal of Central Asian Society*, (London, 1929, vol.16, pt.4, p. 437 ff.)

In Sinkiang, as in other parts of this borderland, the economic and cultural level is so low that both local trade and external commerce are monopolized by Chinese from outside the province. Enormous profits are sought after by feudal bureaucrats who, contrary to the Confucian tenet against officials competing with merchants for profit, take part in business enterprises and drive far more income from commerce than from tax 'squeeze.' Indeed, this policy of bureaucratic capital accumulation in Sinkiang heralded, long in advance, the business monopoly of the present Chinese government in Nanking.

Feudal bureaucracy, as expected, is permeated with nepotism. Yang Tseng-hsin, Governor of Sinkiang from 1912 to 1928, established what may be called a family hierarchy, posting all his relatives from one end of the province to the other. In 1927 all the district magistrates from Koria to Kashgar were, with only three exceptions, related to Yang either directly or through marriage. Chin Shu-jen, governor from 1928 to 1933, appointed his two brothers to the highest military posts and placed his valet in command of a regiment. Nepotism here was largely for the purpose of implementing the business monopoly, especially of furs, wool, gold and jade. This was accompanied, on the one hand, by inflation, and, on the other hand, by fixing very low prices. In the 1920's, as a reflection of this monopoly, 51 per cent of the trade capital in Urumchi was in the possession of Chinese officials, 37 per cent with the compradores (foreign businessmen's agents), and only 12 per cent was claimed by local rich families.<sup>1</sup>

The political philosophy of the bureaucrats includes the belief that the ruler is entitled to help himself legally or otherwise, whereas the ruled must abide by the law. As a Chinese popular saying puts it vividly: 'Officials are permitted to set the house afire, but the people are forbidden to light a lamp.'

Chinese policy in Sinkiang has been one of 'Divide and Rule,' playing the different national groups against each other, and utilizing the antagonisms and conflicts in the same national group. At different times the agricultural Uighurs were favoured against the nomadic Kazakhs, or the nomads against the settled population, or armed conflicts were provoked between the Kazakh *Khans* and the Mongol *Vans* over migration tracks, forest lands, water, etc. Conflicts among the Mongol princes and among the Turkic *Khans* for influence over the various tribes were also actively supported by the Chinese. Even by way of checking the Chinese businessmen, of whom the biggest have come from Tientsin, no Tientsin men were appointed to high official posts in the Province.

During Liu Ching-tang's administration in the 1880's the greatest clemency was bestowed on the Turki, including the Uighurs and the Kazakhs, while the Tungans were nearly always severely handled. Later, the Mongols were favoured against their tenants, the Kazakhs. Still later, at the time of Yang Tseng-hsin, this was completely reversed, perhaps because of the governor's fear of revolutionary influences from Outer Mongolia. While Mongols were

<sup>1</sup> M. Nemchenko *Problemy Kitaya* 1931, Nos. 8—9 (3—4), p. 181.

forbidden to carry arms, Kazakhs could easily hire them from the Chinese army. However, the Krarashar Mongols were well treated because they had a good cavalry force.

This idea of 'Divide and Rule' was carried even to the field of finance. The four regions of Urumchi, Turfan, Kashgar and Ili, each had its own currency which was exchanged against the others at different rates. Thus exchange values were controlled, large transactions of money easily detected, and any threatening insurrection in Sinkiang could be checked.

Revolts took place despite all these ingenious curbs. The Altai uprising led by Chang Pei-yuan and the Hami revolt led by Ma Chung-ying and encouraged by the agents of Japanese militarists, were both suppressed by Sheng Shih-tsai, with ammunition, machine-guns, armoured cars, trucks and air planes brought over from the Soviet Union. This Chinese warlord ruled Sinkiang for a decade. He, too, pursued the policy of 'Divide and Rule,' but more subtly. He attempted to separate the population into as many as fourteen ethnic groups. Although in 1933 he had put racial equality and religious freedom as the first and the second items in his 'Eight Point Proclamation,' in 'The Six Great Policies of New Sinkiang' involved by him in 1934 anti-imperialism and Soviet friendship became the first and the second points.

Nepotism and corruption showed no signs of abatement as compared with the previous period. In the time of Sheng Shih-tsai, the common saying in Sinkiang was that governorship might not be so remunerative as the post of a bureau head, which in turn might not be so gainful as that of a magistrate of a fertile district. Yet, according to Ling Chi-yung, his commissioner of Reconstruction, Sheng at one time possessed the largest amount of gold in China. Subsequently in 1945, Sheng made a donation of 750,000 oz. of gold to the Kuomintang, for which he was highly praised by the highest authority of the government.

In addition to the bureaucratic legacy, warlordism, with its characteristic policy of inconsistency and opportunism, gripped the Sinkiang of 1933-44. Under Sheng the caution and conservatism shown by Yang Tseng-hsin was discarded. Whereas Yang had never allowed the printing of a Turki language newspaper, Sheng put up seven editions of his paper in seven different languages. Whereas Yang had been loath to employ foreigners and to introduce modern methods into the province, Sheng was perfectly willing to do so for the sole purpose of enhancing his power. To Yang Sinkiang was a part of the Imperial system, but to Sheng it was just his personal domain. With the latter, therefore, there was a strong tendency for direct rule.

General Sheng received a loan of 15 million roubles from Moscow, abolished the regional currencies, and reorganized the bank. Imitating the policy of Chang Tso-ling, the warlord of Manchuria, he established a business monopoly in Sinkiang by forming the Sinkiang Development Corporation. Like Chang Tso-ling also, Sheng conducted his external relations with extreme opportunism. From the middle of 1933 to early 1942 he steadily courted Soviet friendship in order to gain and maintain his power. When the Nazi



army was close to Stalingrad, however, he told Chiang Kai-shek through General Chu Shao-liang that he was ready to turn anti-Soviet and obey the Chinese Generalissimo. He launched a campaign of terror, relentlessly suppressing the non-Chinese and persecuting liberals and democrats, including his Soviet-trained brother and sister-in-law. Some 80,000 political prisoners were taken; many of them were shot and some were skinned alive.<sup>1</sup>

By 1943 the Soviets had completely withdrawn from Sinkiang. Sheng saw the Soviets had been strong enough to throw back the Nazi army from Stalingrad, and that the Chinese Central Government authorities were about to dominate his domain. He then desired to turn another somersault. Having jailed about 200 officials from Chungking in August 1944 he asked Stalin to incorporate Sinkiang into the Soviet Union. The Soviet declined this offer. Meanwhile, Chungking troops were approaching Urumchi, Chungking bombers had already been concentrated at Lanchow, the Kazakhs were still in revolt in the Altai region. In these circumstances Sheng was induced to accept a new post in Chungking as Minister of Agriculture and Forestry. Sheng was defeated by a bigger 'feudal autocrat'.<sup>2</sup> Once more Sinkiang has come within the orbit of Chinese national politics.

Of recent years, particularly since the Japanese surrender, the policy of Chiang Kai-shek's government has emanated from two main fountains: the C. C. Clique and the Political Science Group. While the former, known as the boss of the Kuomintang, advocates an impatient policy of direct repression and sole reliance on force, the latter, comprising subtle and refined bureaucrats, always pleads for moderation. Common to both, however, are their complete dependence on a military leader and the almost Confucian-like assumption of their right and ability to rule over the people for their interests. Despite factional friction between them, they hold the same basic view towards the nationality problem in China, a view obviously different from that of Sun Yat-sen.

Whereas Sun Yat-sen definitely recognized the Moslem Turkis in Sinkiang as a distinct nationality, the C. C. Clique's 'historian' Li Tung fong now asserts that since the Uighurs are descended from the Huns who in turn were descendants of the Chinese, the people in Sinkiang should be considered of Chinese nationality. According to Sun Yat-sen's National Reconstruction Platform (Article 4) as well as the Declaration of the Kuomintang First National Congress in 1924, all nationalities in China are to enjoy the rights of self-determination. The ruling cliques of the Kuomintang have revised this policy. Self-determination is now replaced by 'equality in treatment' and 'promotion for autonomous power'. General Chang Chih-shung, who apparently feared that self-determination might automatically lead to independence, said in Urumchi on 13th May 1947 that though 'scores of years or several centuries hence' Sinkiang might become independent, it could not be independent now.<sup>3</sup>

<sup>1</sup> See Christopher Rand's dispatch from Urumchi in *New York Herald-Tribune*, 23 September 1947.

<sup>2</sup> See the description of this 'feudal autocrat' in Henry L. Stimson and McGeorge Bundy, *On Active Service in Peace and War*, N.Y., 1947, p. 539.

<sup>3</sup> *Jib Pao*, Urumchi, 14, Aug. 1947.

Wu Chung-hsin, a bureaucrat closely associated with the C. C. Clique, succeeded General Sheng Shih-tsai in Sinkiang on 10th October 1944. Suppression of non-Chinese nationalities to the point of sheer looting and slaughter continued. A strongly organized revolt broke out in Kulja (Ining). As the rebel Kazakh and Uighur forces approached Urumchi, General Chang Chih-Chung was commissioned to negotiate with the Kulja representatives. After eight months of negotiations, altogether 18 official meetings and more than 10 unofficial meetings, with three suspensions in the entire negotiation, a compromise was reached and a comprehensive agreement was signed on 6 June 1946 in Urumchi. Thereby a coalition provincial government was organized. All district magistrates were to be elected, religious freedom was to be respected, national scripts were to be officially used, and three regiments of Kulja were to remain intact as peace preservation corps.

Altogether there were three documents representing the agreement. The basic one, comprising eleven articles, and the supplementary agreement regarding the reorganization of provincial government to be attached to Article Nine, were both signed by Chang Chih-shung and three Kulja delegates, Ahmed Djan Kasimi, Abdal Haire Tuere and Rakhim Djan Kledjaev, on 2 January 1946. The third was the supplementary agreement regarding the reorganization of armed forces in the disturbed areas as an attachment to Article Ten. This was not signed until 6 June 1946, on which day a grand celebration in Urumchi took place to signify the conclusion of negotiations. On that same day the Urumchi government, still under the chairmanship of Wu Chung-shin telegraphed to all districts to free political prisoners.

It is to be noted that the negotiations were carried out in the midst of a period in which Kuomintang and the Chinese Communist Party and other democratic groups were in negotiation also for peace with the assistance of American mediation. Similarly, in Sinkiang the negotiation with the Kulja Group was really and truly assisted by the Soviet Consul-General in Urumchi. Although General Chang is a military man, he is not and cannot be a warlord, as he has no troops under his direct command. He believes in moderation and has always objected to a tough policy. Furthermore, in the winter of 1945-6, it was not the time for Chungking to get tough. It was not ready to start a large-scale military operation anywhere; American military aid was awaited. When Chang was talking to the Kulja delegates in November, Yarkand and Qarghaliq were lost to the provincial government and Khotan was surrounded by the armed revolutionary forces.

If the three documents of agreement were faithfully and fully carried out, it would mean that Sun Yat-sen's policy and the Kuomintang declaration of 1924 will be on the way of being fulfilled. Nevertheless, the agreement has not been truly put into operation. The successive provincial chairmen have been tools of the C. C. Clique, who, as the most reactionary wing of Kuomintang at present, spares no effort to hinder the growth of democratic strength and meantime secretly builds up its own power in that frontier province.

When the new provincial government was organized according to Article Nine of the agreement, Chang Chih-chung, the successful negotiator, was

inaugurated as the Chairman on 1 July 1946. One Vice-Chairman was an Uighur and the other one a Tartar. Liu Meng-hsun, a close associate of the C. C., was appointed Secretary-General. Wang Tseng-shan, the Civil Affairs Commissioner; Chao Chien-Feng, the Social Welfare Commissioner; and Ku Chien-chi, the Vice-Commissioner of Reconstruction, were all active C. C. Clique members. The meek and moderate General Chang had remained in Urumchi as Chairman for just about a year when the C. C. sponsored Masud Sabri was appointed to take his place.

As a member of the Central Executive Committee of the Kuomintang, a State Councillor of the National Government and a participant of the Kuomintang sponsored People's Political Council, Sabri is actively supported by the Chen brothers, the pillars of the C. C. Clique. Although he is from a wealthy landlord and merchant family in Sinkiang, he had been out of the province for more than ten years, and his appointment was opposed by the Kulja Group from the very beginning. Aware of his own unpopularity, Masud Sabri would not put his appointment to the test of open discussion. This and Chinese military suppression of the Turfan unrest in July and a similar affair in Kashgar in August 1947 resulted in the withdrawal from Urumchi Provincial Assembly of all Kulja representatives and many others led by Ahmed Djan Kasimi. The Kulja Group demands that Chang Chih-Chung resume his post in the coalition and the implementation of the Nanking-Kulja Agreement.

On the other hand, the C. C. Clique and their military allies regard the borderlands and the border peoples mainly as objects of economic and financial exploitation which must be dominated militarily. There are now about 100,000 Chinese troops in Sinkiang while the Kulja side has only 40,000 men under arms. As reported by Frank Robertson, 'there has been no evidence to support Chinese charges that Kulja troops are armed with modern Russian equipment'.<sup>1</sup>

In September 1947 General Chang addressed an open letter to Ahmed Djan Kasimi, which in essence asked if the Kulja Group wanted war or peace. 'If you have no intention against peace, you will return to Urumchi and reopen negotiations with the government.' The Kulja reply was sometime in November, saying that no secession from China was intended and that they would return to Urumchi if the government complied with their demands, including the removal from Chairmanship of Masud. In December General Chang answered that Nanking would not consider replacing Masud without an election, but further negotiations were invited. This only elicited from the Kulja Group, who stands for nationalism and democracy in Sinkiang, reiteration of their demand for the removal of Masud.

The Nanking Policy has clearly split the provincial assembly of Sinkiang. The result is a division of the province into two areas: one in which the C. C. Clique power is dominant and the other comprising Kulja, Tarbagatai and Altai regions, in which the non-Chinese nationalities have now established their democratic and autonomous administration. This struggle

<sup>1</sup> *The New York Times*, 1 Feb. 1948.

between democracy and feudal autocracy goes on elsewhere in China. The result is the same. Manchuria and North China are the counterparts of Kulja, Tarbagatai and Altai. And when more Kuljas and more Manchurias come to be, when all China becomes democratic and permitting full national equality and freedom, the present Chinese policy as administered by Nanking will be completely stopped.

## COMMUNISM IN ASIA

By G. F. HUDSON

MARXISM before the Russian Revolution was a doctrine of social transformation to be brought about by the industrial proletariat, the class of wage-workers created or multiplied by capitalist industrialization. The proletarian revolution was expected to begin and spread first in the most highly industrialized countries where the greatest concentration of capital would have taken place and the highest percentage of the population detached from ownership or independent operation of the means of production and turned into wage-workers. Countries in which capitalism was still immature and the greater part of the population were peasants were not regarded as ripe for a proletarian revolution; they would have first to go through the bourgeois democratic stage and be further industrialized before the conditions considered indispensable for the transition to socialism would be present. The peasant, whether a proprietor or not, was attached to the principle of private property in land; as a landless tenant or labourer, he might be a discontented and subversive element in society, but his aim was to acquire land of his own, and as long as agriculture on small independent holdings was possible, he could hope for his ambition to be realized whereas the worker in factory, mine, ship or railway was precluded from the possibility of becoming an independent producer or trader through a redivision of industrial capital. For this reason the early Marxists looked askance at the peasant; in spite of the fact that he worked with his hands at least as hard as the urban wage-worker and might live in even greater poverty, he did not belong to the proletarian class or share its idea of collective ownership of the means of production. Marxists hoped either that increasing industrialization would in the end reduce the rural classes to a minority of the population without real political importance, or else that large-scale capitalist farming would so develop that a majority of workers on the land would become proletarianized and acquire the general outlook of workers in industry. Meanwhile, a Marxist proletarian party could not expect either to make a close political alliance with any peasant party or to compete for the adherence of peasants with parties which accepted private ownership of land.

Another basic principle of pre-Leninist Marxism which limited its capacity for broad popular appeal was its rigorous internationalism. The proletarian, according to the doctrine, had no country; everywhere he was, or should be, engaged in struggle against the propertied classes, and he should never abandon this struggle in order to support the dominant bourgeoisie of his own

country in its rivalry, in peace or war, with the dominant bourgeoisie of another country. "Social patriotism" was one of the worst of sins for Marxists, and the sentiments of attachment to nationality were condemned as a trap for the workers leading them to give up the class struggle for the sake of national unity. The proletarians of all lands should consider themselves brothers and not allow themselves to be set against one another; in time of peace Marxist parties in each country should fight politically against military conscription and budgetary expenditure for war preparation, while if war broke out, they should try to stop it by means of general strikes and refusal to fight. In particular, Marxists were to oppose imperialist colonial expansion, the ascendancy of one nation over others, in the interests of a national capitalism, whether through annexations, protectorates, "spheres of influence" or extorted privileges. Marxism relentlessly denounced every kind of colonial exploitation as a special evil of capitalism, both because the workers in dependent territories were more helpless in relation to the power of capital than those of the metropolitan countries and because the rivalries of imperialist states for control of the weaker peoples was a major factor making for war. Nevertheless Marxists were very reluctant to draw the conclusion that they ought to promote and support nationalist movements in colonial or semi-colonial lands, even though such movements were led by the local bourgeoisie striving, not for socialism, but merely to drive out foreign capital and officialdom. That was all very well for liberals, but the old-fashioned Marxist was nothing if not doctrinaire, and was always afraid of compromising his principles by stepping over the class line.

## II

One consequence of this attitude of pre-Leninist Marxism was that it had virtually no prospects of political success in Asia. In comparison with Europe or at any rate, with Western Europe, Asia in the second decade of the twentieth century was overwhelmingly agrarian; in only a few areas had there been any development of modern industrial capitalism and a corresponding industrial proletariat. The two great factors of tension and potential revolutionary upheaval in Asia were, first, agrarian discontent arising from overcrowding on the land, peasant indebtedness and oppressive tenancy and taxation, and secondly the striving for national independence in all the countries which were either under foreign rule, such as India, Burma and Indonesia, or subject to foreign economic control and impairment of sovereignty, such as Turkey, Iran and China. But neither the agrarian nor the nationalist forces of Asia were in themselves tending towards the goal of the international proletarian socialist revolution; in order that they might be harnessed to the purposes of Marxism it was necessary to have a system of tactics by which Marxists could work for alien ideals without departing from their own fundamental doctrine. It was the Russian Bolsheviks, and in the first place Lenin himself, who succeeded in devising such a system of tactics.

Economically and politically Russia was in a position intermediate between Western Europe and Asia. It was less highly industrialized and less "modern"

in its general economy than Britain, France or Germany, but more so than any Asian country except Japan. It was a Great Power, and in Asia it was one of the imperialist Western states, ruling over a number of subject peoples—Georgians, Armenians, Azerbaijanis, Turkmen, Uzbeks, Tadzhiks, Kirghiz and others—and encroaching on Iran and China with “spheres of influence.” Yet Russia was itself semi-colonial in relation to the West; it relied on loans from France for financial solvency and its resources were being developed to a great extent with British and German capital. The sense of weakness, backwardness and dependence produced among Russians feelings of resentment and hostility towards the West, even towards the nations which were allied with Russia in the alignments of European power politics, and a desire to be emancipated from any kind of Western tutelage or influence.

By Marxist theory, as hitherto accepted, Russia was unsuitable to be the pioneer of socialist revolution; Russia would have first to pass through the bourgeois democratic stage of development, so that capitalism could come to maturity, and the socialist revolution was to be expected to start in some more highly industrialized country where the contradictions of capitalism had become fully operative. But Lenin saw that, just because of the retarded development of Russia, it was easier there to bring about a complete subversion of society than in any Western country. In Western countries, instead of the increasingly sharp opposition between the propertied few and the propertyless many, as originally predicted by Marx, the social system had been to a great extent “padded” by a widely diffused prosperity, by the growth of parliamentary democracy and trade unionism, and by the extension of social services; in Russia, on the other hand, the conflicts of industrial capital and labour had been added on to the tensions of an agrarian order not far removed from serfdom, and neither were mitigated by the political rule of a bureaucratic monarchy so inefficient and oppressive that it rendered even the bourgeoisie semi-revolutionary. In Russia in 1917 hardly anyone really supported the Tsardom, and the bulk of the population, without political organization or experience, was so passive and inert that there was the possibility for a very small disciplined group to effect fundamental changes in the social order once the existing state-power had broken down. The condition of success, however, for a Marxist party was to canalize in support of its own aims the discontent of the peasantry. This could not be done by preaching socialism to it, but only by a programme of expropriation of landlords and redivision of the land in private ownership—a programme which must be so drastic as to enable the Marxists to outbid liberal and agrarian parties which also promised agrarian reform but by an orderly procedure. To campaign thus for redivision of the land into small peasant properties was contrary to traditional Marxism, for a Marxist could not honestly believe in such a thing and even to seem to endorse it was regarded as a surrender of principle. But Lenin had no scruples about adopting programmes in which he did not believe; in his view revolutionary tactics justified the systematic deception of the various elements of society by the use of programmatic slogans and propaganda suitable to their desires. The peasants wanted the land in

private ownership; they must be given it for the time being and roused to fight for it against the counter-revolution; only after the Bolshevik régime had been consolidated and the former ruling classes destroyed would the peasants be told that what the party had destined for them was not family property, but collective farming. It would then be too late for them to resist effectively. This is indeed what happened in Russia. For a few years private property in the countryside co-existed with socialist industry in the towns and the peasants were encouraged to enrich themselves by production for the open market; then forced collectivization began and peasant ownership was eliminated. Opposition was crushed by police terror and mass deportations, and among the victims were many holders of Red Army decorations from the time of the civil war, when peasant support had brought the Bolsheviks victory over the counter-revolutionary armies of Denikin and Kolchak. The same story has recently been retold in the countries of Eastern Europe where Communists have gained power; in each case the peasants have been initially attracted by a programme of redivision of the land in private ownership, and then the drive for collectivization has been launched as soon as opposition parties have been liquidated and the police power of the new régime built up—the interval between the two stages being much shorter than it was in Russia.

The Communists' technique of exploitation of social and political forces alien to their own purpose is bound up with the characteristics which separate them from democratic socialist parties—their rigid party discipline and their repudiation of multi-party political democracy. It is only by the strict control of party membership and the maintenance of a rigorous doctrinal orthodoxy in essentials that it is possible for the Communists to campaign tactically for causes in which they do not believe. If there is too much discussion of deceptive tactics in a party, opponents and the people to be canvassed are forewarned and the tricks lose their effect; it is necessary that the "party line" should be decided in secret by a small group of leaders and blindly followed in the belief, that however incomprehensible it may be, it is ultimately in the best interest of the party. Equally, a severe discipline is essential to make sure that party members themselves are not led away by temporary tactical lines into really adopting beliefs which are contrary to the basic doctrine. But, even if the party's faith can be kept pure through all tactical manoeuvres, the manoeuvres cannot succeed in the long run to any great extent unless the party holds absolute power. In a political democracy politicians frequently make promises in electioneering which they fail, and perhaps never mean, but there are very definite limits to the falsity of election bids which a party can make without losing at the next election the votes it has thus gained. But a party which establishes a totalitarian state can cheat almost without fear of retribution; it does not have to fear the next election, because there is no alternative legal party to which the dissatisfied voter can turn; only a violent uprising can overthrow the régime, and that is a remote contingency if the unity of the ruling party can be preserved and if the state-power is properly organized. This is especially true in dealing with masses of pea-

sants who numerically may be a majority of the population and yet can easily be controlled by a dictatorship because of their ignorance, spatial dispersion and lack of class organization.

Similar to the Communists' tactical appeal to peasant land hunger is their tactical appeal to nationalism. The true Communist does not think in national terms; he is a member of an international organization based on an ideology of universal application. He can nevertheless identify himself for tactical purposes with national sentiments, aspirations and grievances. He can even outbid the bourgeois nationalist in the extremism and violence of his anti-foreign appeal, as long as the "line" is pointed away from, and not against, the Soviet Union. Nationalism which conflicts with Soviet interests must be opposed by every means, but nationalism which produces disunion and conflict among non-Communist states and weakens them economically by the reduction of international trade and capital investment is to be fostered. Thus in Germany the Communists play on the German desire for national unity and denounce the Western Powers for trying to break it up, while in France they stimulate French fear of Germany by representing Britain and the United States as trying to rebuild German strength; in Western Europe the Communists appeal to desires for independence from foreign economic control and represent the Marshall Plan as an instrument of American imperialism, while in America they appeal to traditional isolationism and represent the Marshall Plan as an exploitation of the American taxpayer by cunning Europeans. In Russia itself, on the other hand, although the Communist revolution began in 1917 with anti-war propaganda and repudiation of the conquests of Tsarist imperialism, Russian nationalism, with its old anti-Western obsession, has become so completely fused with international Communism that it is now hard to distinguish one from the other. As the prime mover and main power factor of Communism, the Soviet Union commands the loyalty of communists everywhere in the world, but in countries outside the Soviet Union this loyalty is, at any rate potentially, in conflict with national patriotism, whereas for a Soviet citizen the two are necessarily in harmony; every enlargement of the Soviet Union or increase of its influence advances the cause of Communism, while every strengthening of Communism anywhere increases the power of the Soviet Union.

### III

An understanding of the Communist tactical uses of agrarian unrest and of nationalism is the key to the history of Communism in Asia since the Russian Revolution. Except in Japan, there has been no development of modern machine industry on such a scale as to produce the kind of society which Marx regarded as suitable for a proletarian socialist revolution. The hopes of Communism elsewhere in Asia could only be set on a peasant *jacquerie* or on nationalist movements which could be turned against the Western capitalist nations.

The countries of Asia between the Russian Revolution and the end of the Second World War may be divided into the two categories, independent



and dependent; the line between them was not quite clear, as some states nominally independent lacked fully sovereign rights. In general, the nationalist pressure was naturally strongest in the dependencies, as political activity was meritably focussed on the primary objective of gaining national independence and tended to become revolutionary when frustrated by the ruling nation. On the other hand, the ruling Western nations had organized in these countries strong administrative services and regularly paid armies and police forces which gave very little opportunity for a successful revolt or armed seizure of power; the confusion and instability which provide opportunities for revolution were not present in these countries before the Second World War in spite of underlying social tensions, and no violent overthrow of the established régime in fact took place in any of them. It was in the independent countries, or rather in one of them, China, that Communism got its chance.

In Japan Communism made initially a certain progress, but it was crushed and driven underground so effectively that it could not emerge or manifest itself in any way until the Americans declared the party legal and released its leaders from prison after the surrender of Japan in 1945. It was not that Japan was without social tensions exploitable by the Communists. Not only did it have a considerable industrial proletariat, larger than that of any other Asian country, but the concentration of wealth in the ownership of the *Zuibatsu* families and the weakness of the middle class made the social structure exceptionally too heavy. In the countryside there was serious overcrowding on the land, with prevalent tenancy, high rents and peasant indebtedness—a state of affairs which produced an increasing agrarian unrest, especially when the world economic depression, starting in America caused a collapse of raw silk prices.

Nevertheless, Communism failed to make much headway, partly because Japan had a very strong state structure with an effective apparatus of police repression, and partly because Japanese militarism with its peculiar theocratic ideology was able to canalize into the urge for imperial expansion much of the discontent which might otherwise have been used by the Communists. Because of Japan's strategic situation, as well as because of ideological antipathy Japanese militarism was hostile to Russia, and there was no means for the Communists to influence Japan by working on nationalist sentiments. In 1936 Japan concluded the Anti-Comintern Pact with Nazi Germany and subsequently made the activity of the Chinese Communists a pretext for the invasion of China.

At the other end of Asia, in Turkey and Iran, there were two independent countries adjacent to Russian territory which seemed to provide opportunities for Communism because the end of the First World War left them in a weak and disorderly condition. Turkey had been disastrously defeated in four years of war which had strained its resources to the utmost, while Iran had been invaded by Turkish, British and Russian forces and was suffering from the misrule of an effete monarchy. In both countries, however, and especially in Turkey, there was a national revival under a leader with no Communist background. In Turkey Mustafa Kemal organized an army and government

in defiance of the capitulating Sultan, drove out the invading Greeks and compelled the victors of the First World War radically to revise the peace treaty imposed on Turkey. The military saviour of his country, with an overwhelming personal prestige, he carried through in a few years fundamental reforms which aroused the enthusiasm of the modern-minded Turkish youth and conferred substantial benefits on the peasantry. There was much in the spirit of his régime similar to that of the Russian Revolution, but its conception was liberal-nationalist with no Marxist basis and no doctrinal hostility to capitalism. In foreign policy Kemalist Turkey was closely aligned with Russia, because the latter, after the Revolution, had renounced all claims on Turkey arising out of the Tsarist secret treaties with Britain and France, and both Russia and Turkey found themselves in conflict with Britain and France in the immediate post-war period. After the conclusion of the Treaty of Lausanne Turkish relations with the Western Powers gradually improved, but the friendship with Russia remained unimpaired until 1939. It did not, however, imply any toleration of Communist activity in Turkey. Russia was Turkey's hereditary enemy; there had been half a dozen Russo-Turkish wars in a little over a hundred years, and Communism was inevitably regarded as a Russian instrument. The Kemalist-Soviet entente was conditional on absolute Russian renunciation of territorial claims or internal interference in Turkey, and it broke down as soon as Russia in 1939 began to put coercive pressure on Turkey. Since then Turkey has been strongly anti-Communist because Turkish nationalism is, as it were, naturally anti-Russian; geographically and historically, Turkey has the strongest of grounds for fearing Russia and the age-long Russian ambition to control the Black Sea Straits. Except for small minorities the Turks are a compact and vigorous nation with an intense national consciousness, and the Kemalist reforms have provided them with an efficient administration which has been able to make good use of the American economic and military aid given in accordance with the "Truman Doctrine".

Iran has remained very backward economically and administratively as compared with Turkey, but in Iran too a nationalist spirit traditionally anti-Russian has been the great obstacle to the spread of Communism. In spite of its modern weakness and poverty Iran has retained a conspicuous national pride, and its resentment at foreign domination has been extreme. The villains of the piece from an Iranian point of view during the last hundred years have been Russia and Britain, and Russia, with its land frontiers to the north-west and north-east of Iran, has been the more pressing. Riza rose to power on a nationalist programme of reducing both Russian and British influence in Iran. Soviet Russia renounced the "sphere" rights gained by the Tsardom in Iran and thus established good relations with Riza's régime lasting until 1941; but these relations, as with Turkey, were conditional on non-interference in Iranian internal affairs, and no attempt seems to have been made to promote Communism. The situation was altered by the war-time British-Russian intervention which overthrew Riza; the Russians were for three years in military occupation of northern Iran, and used their position to build up Communist-

directed parties, the so-called 'Democrats', in Azerbaijan and the Tudeh and in other parts of Iran. In the end, however, this activity turned to Russia's disadvantage, in spite of the social discontent on which the revolutionary parties could work; as soon as the United States, regarded as the would-be champion of Iran from the period before 1914, gave definite diplomatic support to Iranian resistance, the nationalist reaction against the Russian intervention was very sharp; the Iranian parliament refused to ratify the oil concession demanded by Russia and the autonomous state set up by the "Democrats" in Iranian Azerbaijan collapsed ignominiously as soon as Russian troops were withdrawn.

In contrast to Turkey and Iran, China, has proved a fertile field for Communism because of the disintegration of the state structure, which had begun even before the Russian Revolution, the traditional orientation of Chinese nationalism which has in the past been anti-British or anti-Japanese rather than anti-Russian, and the conditions created by Japanese invasion and conquest in Manchuria and North China. The disintegration of China as a state from 1912, and still more from 1916, must be regarded as the primary condition of the catastrophic course of events in that country. The vast size of the country and the insufficiency of communications have had much to do with its failure to preserve state unity. But whatever the reason, the historical fact is that China failed to replace the old monarchical political system with an equally more unified form of state, as was successfully done by the Meiji reformers in Japan or by Kemal in Turkey or Riza in Iran. China simply went to pieces and the resulting anarchy at once created intolerable conditions for the masses of the people, held back economic development and gave scope for the rise of armed revolutionary factions. The Chinese nationalist movement led by the Kuomintang party arose in the south of China and was at first pointed against the British with their preponderant economic interest in Hongkong and Shanghai. Soviet Russia gained the goodwill of Chinese nationalism, first by voluntarily renouncing the privileges of extra-territoriality before any other foreign nation did so, and then by giving technical assistance to the Kuomintang government in Canton at a time when other nations still recognized only the phantom government surviving in Peking. The Chinese Communist party, founded in 1923, made a close alliance with the Kuomintang, and gave it valuable aid by winning the support of the peasantry and town workers for a joint Kuomintang-Communist revolution. But the Kuomintang was essentially a bourgeois party and a break with the Communists followed the decisive military victories of the coalition. The Kuomintang forces under the leadership of General Chiang Kai-shek drove the Communists out of the towns, but in the countryside the Communists had gained a strong peasant following and they pursued a strategy of guerilla warfare which again and again foiled the efforts of the Kuomintang government (internationally recognized as the government of China since 1928) to suppress them. In these circumstances the Chinese Communists became an agrarian party with redistribution of the land as their main programme appeal; this evolution carried to an extreme the departure from old-fashioned Marxism through the tactical

exploitation of non-proletarian revolutionary forces. The Chinese Communists have proclaimed themselves "anti-feudal" and "anti-imperialist", but have avoided a head-on attack on the nascent Chinese capitalism; they have even tried with various promises to attract bourgeois support. They have nevertheless remained rigidly orthodox in their fundamental Marxist-Leninist doctrine, and have insisted on alignment with Russia in foreign policy—which has made the civil war in China an international issue in spite of the relative moderation of Chinese Communist economic policy.

In spite of the split between the Kuomintang and the Communists in 1927 and a temporary rupture of relations with Russia, Chinese nationalism did not become permanently anti-Russian. The Kuomintang made its peace with Britain, but Britain's place as the principal enemy was taken by Japan, and from 1931 to 1933 and again from 1937 to 1945 relations with Japan were those of actual warfare. The Communists identified themselves completely with the national resistance to Japanese aggression—which was in Russia's as well as China's interest, as an early Chinese surrender would have left Japan free to attack Russia, as the Japanese militarists had planned to do—and they used the conditions of the Japanese military occupation to infiltrate behind the Japanese lines and build up their political and military organization in the occupied areas from which all regular Chinese government officials and troops had been swept away. Thus they were able to replace the Japanese occupation authorities when Japan surrendered, even though the Government forces were able, with American aid to re-occupy certain Japanese-held cities. In Manchuria, where the Russians overcame the Japanese army in the last year of the war, the Chinese Communists were permitted to equip themselves from Japanese arms dumps and were thus enabled to fight the Government troops on more equal terms than had previously been possible.

The Chinese Communists owe most of their strength to their championship of an agrarian revolution; much of their success must also be attributed to the administrative and military inefficiency of the Kuomintang Government and its inability to halt currency inflation. But the Communists have, in addition, been able ever since the war to keep Chinese nationalist feeling largely on their side. Although the Russians have given important indirect aid to the Chinese Communists, the American intervention in China has been so much more open and obvious, and the manner of it so galling to Chinese national pride that Chinese opinion has been much influenced by a propaganda representing America as an imperialist power trying to turn China into a colony and Russia as China's disinterested friend.

In northern Korea the Russians have used their period of military occupation to help the Communists take power, and the Communists, as in China, have made redivision of the land their main ground of popular appeal. In the south the American military occupation has prevented any revolutionary action by the Communists, and elections held under the supervision of United Nations observers, but boycotted by the Communists, have returned a non-Communist parliament. Korea is thus divided between rival governments each controlling about half the country. In Japan, as in southern Korea,

the American occupation authority has been a check on Communist violence; and two other factors have also curbed the growth of Communism since the war in spite of the prevailing economic distress: an agrarian reform carried out under an American directive has stolen much of the Communist thunder as far as the peasants are concerned, and Communist influence over the urban workers is contested by a strong Social Democrat party. Communism can make an appeal to Japanese nationalist hopes of *revanche* against America, but most Japanese are convinced that all prospects of their country's revival depend on American goodwill and are little inclined to follow a pro-Russian orientation.

#### IV

It remains to consider Communist developments in those parts of Asia which before the war were still subject in some degree to the sovereignty of Western nations—that is to say, India and the countries of South-East Asia except Siam. In India the transfer of power by Britain to the new Governments of India and Pakistan was effected by agreement and carried out without any administrative breakdown, so that there was no opportunity for Communists to gain power locally, as they did in China. Communism is a factor of importance in Indian politics, but it is faced with a strong state structure, the power of a progressive party conscious of the need for finding a solution to the agrarian problem, and a national spirit which, having seen the end of British rule, does not want to facilitate the extension of Russian power in Asia.

In South-east Asia the wave of Japanese conquest swept away the pre-war authorities, and in receding, left confusion behind it. The British, having reoccupied Burma, conceded independence after two years, but the new Burma has shown none of the strength and stability of post-war India and has fallen a victim to communist revolt. Burma is the type of an Asian country which has reached a high degree of economic development almost entirely through foreign capital investment; there being virtually no indigenous Burmese bourgeoisie, nationalism and anti-capitalism in Burma are more or less identical, and the Communists' main demand has been for the expropriation of foreign property without compensation. In Malaya, where British rule has been maintained since the war, there has been a Communist rising, almost exclusively confined to the Chinese community, which has reflected in itself the Kuomintang-Communist civil war going on in China. In Indonesia and Indo-China the struggle of the nationalist movements against the Dutch and French since the end of the war has concentrated politics on the aim of national independence and the Communists have been an element in nationalist coalitions. In Indonesia, however, they broke away recently and made an unsuccessful armed revolt against the Hatta Government, ostensibly to prevent it from betraying the national cause by coming to terms with the Dutch; they also used land redivision slogans for obtaining peasant support. In the Philippines, which have enjoyed full sovereign independence since the end of the war, a widespread agrarian rising under Communist leadership has taken place, but it has never been so serious as to endanger the existence of the Government.

In the whole balance-sheet it is clear that China has been so far the scene of the only important Communist successes in Asia, with Burma second. The record suggests that fully independent nations with efficient administrative and technical services do not easily succumb to Communist political penetration without the exceptional conditions created by a period of war and foreign invasion. But in the long run vulnerability to Communism can only be reduced by progressive social policies, and in Asian countries this means, in the first place, grappling with the problems of overpopulation on the land, inadequate food production and peasant indebtedness and tenancy. From rural slums social upheaval must ultimately come, whatever form it may take.

## BENELUX

By JEAN VAN MENSBRUGGHE

*(Translated from French)*

THE efforts displayed by Belgium, the Netherlands and the Grand Duchy of Luxemburg just after the war with reference to the conclusion of an economic union has roused keen interest everywhere. International opinion has found in this an attempt at economic co-operation, which can be usefully followed and imitated. It has not been lacking in lavishing its encouragement; it has also expressed, often with a wanton bitterness, its disillusionment when serious difficulties slackened the complete realization of the economic union and deprived it of the spectacular character which had attended its beginnings. Consequently, it will not be useless, after giving a historical sketch of Benelux and showing the organization which actualises the union, to tell which are those difficulties and to say if they are not in their essence those which all nations which advance—the door is narrow—on the path of co-operation must come across.

The history of the relations between Belgium and the Netherlands is replete with multifarious incidents, estrangements and reconciliations. United under the crown of the same Prince, the two countries were torn asunder in the sixteenth century by the wars of religion which established the independence of the Netherlands in the north and maintained the destiny of Belgium as linked with that of Spain first, and of Austria afterwards. It was then two centuries of almost continual warfare. The two countries were reunited again by the Congress of Vienna in 1815; but their union, though it presented great economic advantages was broken in 1830; and the relations between Belgium and the Netherlands were all along the 19th century those of neighbours who are obliged to support each other but who do not love each other. Some politicians about 1870—Brother Orban in Belgium specially—thought of a customs union between Belgium and the Netherlands; but it was not followed up by public opinion and these projects remained a dead letter. During the First World War, numerous Belgians found shelter in the Netherlands, which had remained neutral; and after 1918, circumstances favourable to co-operation developed and enabled the conclusion of the Convention of

Ouchy and the Convention of Oslo, by which the Netherlands and the Economic Union of Belgium and Luxemburg decided to lower progressively the custom tariffs and take all measures likely to develop international trade. These Conventions, however, were never applied, not only on account of the opposition of Great Britain which invoked the most favoured nation clause but also on account of the depression and tension in international relations between 1930 and 1940<sup>1</sup>.

Then came the Second World War. The Netherlands and Belgium were both invaded by the German troops, and the community in the elaboration of plans which were to lead the community in suffering enabled peace and prosperity. On 21 October 1943 was signed in London a monetary Convention which was completed later on. By this Convention, the two Governments fixed the rates of exchange of the florin with regard to the Belgian francs (one florin = 16.52 Belgian francs) and agreed to reciprocal credits to the amount of 1400 million Belgian francs—this amount being raised to 4,150 million Belgian francs in May 1947. The monetary Convention, which has always been in force, is generally considered as the starting point for the negotiations which have led to the signing of the Convention of Customs Community in London, on 5 September 1944, that is to say, at the moment when Belgium and the Grand Duchy of Luxemburg had been liberated and when they anticipated, with the imminent collapse of the German Army the complete liberation of the Netherlands.

The Convention was couched in very generous terms. It stipulated that the Economic Union of Belgium and Luxemburg and the Netherlands would introduce a uniform system of customs duties and would abolish all tariffs in reciprocal trade. Moreover, they would establish three councils, entrusted, the first one, with the establishment of a uniform tariff, the second one, with the preparation and negotiation of trade treaties between the Benelux and foreign countries, and the last one, with facilitating and promoting the economic union. One suspensive condition—which was to come into play—would terminate the Convention: the latter would become effective only when 'the Belgian and Dutch Governments would take over power in their respective territories.'

In fact, Belgium was liberated in September 1944, the Netherlands only in May 1945, and not without having sustained very heavy losses during the last nine months of the war. By an exchange of letters, on 29 June 1945, the Governments of Belgium, Luxemburg and the Netherlands came to an agreement to amalgamate the councils created by the Convention of 1944. The necessity for the Netherlands to dress the wounds inflicted by the war made her somewhat drag on the negotiations which became really active in the spring of 1946.

The first work undertaken consisted in the establishment of a common

<sup>1</sup> It should be pointed out that the Grand Duchy of Luxemburg, which was a part of the Zollverein up to 1918, signed with Belgium in 1921 a treaty of economic Union, and that the statistics of foreign trade referred in general to the economic Union of Belgium and Luxemburg, and not to Belgium or the Grand Duchy of Luxemburg separately.

customs tariff. The Belgian and the Dutch tariff systems being widely dissimilar the work was an arduous one: it was none-the-less brought to a successful conclusion and submitted to the different Parliaments in the summer of 1947. The convention of 3 September 1944, and the supplement which comprise the uniform tariff, were voted with a crushing majority by the Parliaments of Belgium, the Netherlands and the Grand Duchy of Luxemburg in September and October 1947; and the new tariff came into force on 1 January 1948.

The second work consisted in carrying together trade negotiations. To this end, there was a common delegation of Benelux at the Preparatory Conference of Trade and Employment at Geneva and at the Trade and Employment Conference at Havana. The Benelux countries took a common position towards the German problem at the London Conference, and always opened negotiations together with the authorities of the Bizone to regulate the thorny question of Rhenish trade through Antwerp and Rotterdam. A Belgian observer attended the trade negotiations conducted by the Netherlands and *vice versa*. The Benelux countries are closely associated in the Marshall Plan Organization and have submitted a common 4-year plan at the O.E.E.C.

The third work consisted in unifying the postal tariffs within the Benelux on the basis of the rates of the interior: this unification was realized from 1 April 1947. In this connection, they have facilitated, from 1 May 1948, automobile traffic between the member countries of the union: tryptiques and pass-books are no more exacted, but simply a free clearance outwards, valid for a year and given without any charge. At present they are working for the unification of the excise and transfer duties. They are also trying to make uniform the customs regulations.

In short, they are contemplating to realize a complete economic union on 1 January 1950, when goods trade will be free between the Benelux countries, licences of imports and exports will cease to be exacted, and the control of exchanges will be withdrawn. To reach this stage, they are studying the means of unifying certain elements of the economic structure of different countries; they are trying to do away with any lack of balance which the realization of the union would heavily aggravate; and they are trying to make uniform the administrative machinery and the legislation 'as far as they have an incidence on the economy.'

If the work done already is much, the work still to be done is much more. Before examining the difficulties already surmounted and those which are still to be overcome, it will doubtless be useful to see how this work has been accomplished and what the Benelux organization is.

The supreme command which takes the general decisions and fixes the orientation of the work which must lead to the total realization of the economic union, is constituted by the Ministers of Belgium, the Netherlands and Grand Duchy of Luxemburg. The Ministers meet every three months, in each of the three countries by turns. They then discuss the progress realized during the previous quarter; they make a general survey of the political situation in general, and they determine the steps to be taken in the months



to come. It is thus that at a meeting of the Benelux Ministers at the castle of Ardennes in June 1948, the three countries decided to make more uniform their economic policy so as to succeed in realizing the union on 1 January 1950. The Dutch Government, in this respect, bound itself to adopt a more liberal policy to saturate its home market and to abandon gradually the policy of subsidies now prevailing. Like all their decisions, those taken by the Ministers in their quarterly meetings are subject to the control of their respective parliaments which can ultimately indicate their disapproval.

To prepare the work of the Ministers and to take the administrative and statutory decisions, numerous commissions and sub-commissions have been instituted. They are mainly composed of officials of the three countries; in some, they have included representatives of employers and labourers, specially in the commissions which study the industrial evolution, the finances and the policy of prices and wages. These commissions appeal to experts, should the occasion arise. They meet when the situation demands it, sometimes at Brussels, sometimes at La Haye and at other times at Luxemburg. In fact, their meetings are frequent and profitable, for the act of working and contemplating problems together tend to create that community of spirit which is so necessary for all collective work.

The Commissions thus instituted cover the different aspects of the policies of the different countries; some of them are busy with economic and financial questions—one must point out in this connexion the Commission which is working for the co-ordination of the statistics of the Benelux countries so as to make them comparable; others are busy in cultural co-operation; others, in trade negotiations; others still, in customs legislation. These commissions take administrative decisions; so one of them has decided to establish in a similar manner foreign trade statistics—and they determine precisely the problems to which the economic union gives rise, so as to enable the Governments concerned to adopt the necessary solutions.

The work of these Commissions is co-ordinated by the Secretariat General of the customs Union whose seat is at Brussels and which is looked upon as an international organization. Its members enjoy diplomatic immunity. The Secretariat General which is presided over by a Dutch officer and is assisted by a Belgian deputy, does not take decisions; it only co-ordinates and centralises the work of the commissions. Publicity is one of its duties. Such is the Benelux organization. It is still in a rudimentary stage, but it will be completed and perfected in the future. Private initiative has completed the deficiency of the present organization. An inter-parliamentary assembly has been constituted which brings together the deputies and the senators of the Benelux countries; but this assembly can only vote recommendations and submit them to the different Parliaments. This is an elaborate procedure. Well-disposed persons ask if they could not go further and if an economic union does not lead to a political federation of which it is not certain whether the different countries have already contemplated the implications.

By the side of these private meetings of parliamentarians, there have been contacts between industrialists of different countries who place their diffi-

culties before each other and contemplate together the problems which the widening of the home market raises. Contacts have also been organized among workers' organizations. In April 1948, a socialist trade-union congress of the Benelux countries was held at Amsterdam; the leaders of the Christian trade-unionists of Belgium and the Grand Duchy of Luxemburg have undertaken study tours of the Netherlands. Agreements have been reached between the universities of the three countries in favour of the exchange of students and professors.

Under the patronage of top-ranking personages in the political and intellectual fields of the three countries, Committees of Benelux Rapprochement have been formed in numerous towns and villages with the main object of propagating the idea of Benelux. To this effect, these committees organise tours, facilitate the exchange of correspondence, send for Dutch actors to Belgium and *vice versa* and do such other things. These committees of rapprochement also study, in their study meetings and their annual congresses, the economic, financial and cultural problems of Benelux and submit, as a result thereof, recommendations to the governments concerned.

The existing organization has done remarkable work, and it is with optimism that it is contemplating the future. Difficulties, nevertheless, have not been lacking; and those which still remain to be overcome are undoubtedly more redoubtable than those which have already been surmounted. Some of them are due to the fact that the Benelux countries have divergent legislation and organizations; others follow from the different evolutions which Belgium and the Netherlands have followed in the wake of the war.

Among the difficulties which follow from the divergence in the legislation, the first one is that which is inherent in the diversity of the tariff systems. The Netherlands levied *ad valorem* duties on the basis of an alphabetical list, and the levying of duties on given commodity was incumbent only if the law specifically mentioned it. On the contrary, the economic Union of Belgium and Luxemburg levied specific duties on the basis of a classified list; and the levying of duties was always obligatory except when the law specifically laid down an exemption. They had, therefore, to revise completely the tariff systems. They took as a basis the list prepared by the League of Nations and adopted the system of *ad valorem* duties with compulsory levying in principle, excepting any specific exemptions. The rates of the new tariff are on the whole less higher than those in force in 1939; but the adoption by Belgium of the system of specific duties which allows profiting through fluctuation of prices, entails, in fact, a rise in the custom-duties. Certain aspects of the tariff raise serious problems. Thus the Netherlands before the war levied only very trifling duties on the imports of raw tobacco (1.40-fl. per 100 K.  $\equiv$  22. 50 Belgian frs) in order to favour the position of Amsterdam as an international market for tobacco; while Belgium, in order to protect its tobacco product, levied very high duties (500 or 900 frs per 100 K.). They are working out a compromise (413 or 528.20 frs per 100 K.) as in other similar cases.

The new tariff came into force on 1 January 1948, and they are at pre-

sent busy unifying the customs legislation and laying down the method of distribution of these receipts. Up to this time nothing has been laid down on this subject and this situation can lend itself to abuses. It is probable that they will abide by a system of distribution in proportion to the population. This is the system which had been adopted, with certain terms and conditions, at the time of the formation of the Zollverein.

The unification of the tariff systems does not mean that no duty is levied on the passage of goods from Belgium to the Netherlands or *vice versa*. The levying of excise and transfer duties still obtains and they are at present trying to unify them. Here again, the Belgian and Dutch systems are different. In Belgium, transfer duty is due on every sale and brings about 20 milliards a year, more than one-third of the annual revenues of the State. In the Netherlands, transfer duty is payable at the origin; and its yield does not go beyond 8 milliards a year. The rate of excise duties is different; in Belgium, it is 150 frs per litre of pure alcohol; in the Netherlands, 91 frs; in Belgium, it is 22 frs per hectolitre of beer and per degree; in the Netherlands, 5.60 frs; in Belgium, it is 60 frs per 100 K. of sugar; in the Netherlands, 480 frs; in Belgium, it represents 40.3% of the actual sale price of cigarettes; in the Netherlands, 32%.

The unification of transfer and excise duties imply consequently the necessity for revising from top to bottom the fiscal systems of the different countries; and this raises serious problems for the Ministers of Finance, who find the budgetary revenues drying up in certain cases. Yet, the difficulties which confront the unification are not insurmountable; and it is probable that the decrease of revenues on certain items will be compensated by an increase, at least equal, on other items. Besides, it is not absolutely necessary that the unification be completed. Belgium and the Grand Duchy of Luxemburg recognize different regulations regarding alcohol; similarly France and Algeria regarding tobacco.

More important are the difficulties which result from the economic organization in each country. The intervention of the State in the economy is much more marked in the Netherlands than in Belgium. In the Netherlands, even before 1939, the principal branches of agriculture were cartelized; during the German occupation, industry was also cartelized, and it has remained so since. Dutch industry is divided into a series of federations which have the power of decision and which depend on the Minister of Economic Affairs. A law of 1938, completed by a decree of 1941, submits the creation and extension of an enterprise to governmental authorization. In Belgium, industrial federations do exist, but they have not been created by the Government, and there is always unity between their policy and that of the Government. The State comes into the picture more by financial controls and fiscal measures than by measures of regulation. It cannot intervene in the creation or extension of an enterprise, except when sanitation and public health demand it and also when its intervention is demanded by the majority of industrialists in a given branch of industry. Schemes are being studied for the unification of economic legislation. Much work will doubtless be necessary before they

succeed; for the economic organization has its bases not only in the changing circumstances but also in the psychology and character of the people who change but slowly under the effort of a common education.

It is not indeed these difficulties which time will overcome gradually that is drawing the attention of the Benelux statesmen so much as the difficulties of transition. These are born mostly from the fact that the liberation of the Netherlands happened nine months after the liberation of Belgium. But for this, the two countries would have been able to adopt a common policy of reconstruction and the difficulties of the period of transition would have been considerably attenuated.

Belgium could, right from the next day of its liberation, serve as a strategic base for the Allies. The port of Antwerp, miraculously left intact, knew extraordinary activities, and the services which Belgium rendered to the Allies enabled it to be the only creditor nation to the United Nations in the Lend-Lease. Besides, Congo also brought in dollars. This considerable contribution of hard currency and the monetary purge of October 1944, enabled Belgium to import the goods of which it had been deprived during the War and to saturate its home market. This policy which comprised of the withdrawal of the administrative controls has permitted the insisting afterwards on the necessity of investment and exportation if they wanted to maintain the standard of living of the Belgian people.

The Netherlands found itself in a totally different situation. Liberated nine months later than its neighbour, it has been much more affected by the War than the latter. Destruction was considerable—a great part of its territory inundated, entire regions devastated by military operations and the Portuguese installation of Rotterdam and Amsterdam seriously damaged. To these material losses were added the disappearance of certain people among the principal elements which assured before the war the prosperity of the Netherlands. Trade with Germany has almost entirely disappeared, and the Rhenish transit extremely reduced. Indonesia has known a long period of troubles and hangs heavily on the Dutch budget. The outlets for Dutch agriculture have dried up a good deal—Germany buys but very little; England is trying to import sterling with agricultural products of which it stands in need and Belgium, which fears the competition of Dutch agriculture, admits, in virtue of the provisional agreement concluded in May 1947, the importation of Dutch agricultural products only at trifling prices fixed by its Government. A final thing to be noted; while the population of most of the European countries is on the decrease or is stationary, the Dutch population is increasing annually by 100,000 inhabitants; and this increase, considerable for a country which counts more than 9 million inhabitants, increases the necessity of finding new sources of well-being.

As a sequel to this situation, the Dutch Government, after having made in its turn a monetary purge, tried to import only what was absolutely necessary to maintain its economy in working order and to export as much as was possible. It opposed all huge rise in wages and maintained the purchasing power of the masses by a policy of rationing and subsidies. It tried to obtain

enormous credits from foreign countries: Belgium gave it 4,150 million frs on credit. It received credits of 125 million Canadian dollars from Canada, 100 millions kronas from Sweden, 90 million dollars from the U.S.A. and 100 million dollars from the Export-Import Bank.

Now the question arises as to how these differences of economic policy which are conditioned a good deal by different circumstances could be solved from within. It has been considered necessary to give credit to Benelux in order to enable a saturation of the Dutch market and establish a certain parallelism in the standard of consumption of the three countries and overtures in this behalf have been made at Washington. Monetary adjustments will undoubtedly be also necessary. If Belgium must take steps which could enable it to lower its prices, the Netherlands must adjust its money to the present conditions and turn the terms of exchange in its favour. Lastly, I dare say that plans of production must be made together and that structural changes which each of the countries must make at present be studied together and worked out in a spirit of close collaboration. In this respect, the participation of Benelux in the work of the XVI at Paris cannot but have happy repercussions on the very future of the economic Union.

These difficulties, so real though they be, are contemplated with the conviction that they can be surmounted. They are those which confront all nations who wish to co-operate in an efficient manner. Do not efforts of international co-operation clash with the differences of fiscal and economic legislation? Even before the war the problem of double taxation was being studied. Does not the policy which seeks to protect its national industry from mishaps of the combination of international circumstances by a bigger organization by subsidies make co-operation often more difficult? Should not the differences in the structure of every country be integrated in an international framework, as the organization of the XVI at Paris has tried to do?

Benelux has been the first example of international co-operation in the post-war period. Undoubtedly new forms of co-operation will avoid certain errors which Benelux has not been able to avoid. At the very least, Belgium, the Netherlands and the Grand Duchy of Luxemburg have shown the path to be followed.

## RECENT ECONOMIC AND POLITICAL DEVELOPMENT IN VIET NAM

By A VIETNAMESE

VIET Nam, ancient State of South-East Asia, covers an area of 135,138 square miles. Bordered by China on the North and Siam on the South-West, it is 1,242 miles long. It is washed by two great rivers, the Red River which flows from Yunnan in China to the port of Haiphong in North Viet Nam, and the Mekong which rises in Tibet and flows through the South in rich Cochin-china. Beyond the highlands to the West lie the Laotian and Cambodian plains. Principally a rice producing country (before World War II





Viet Nam was the fifth greatest rice producing country in the world and ranked third to Burma and Siam in rice exporting), the North grows sufficient only for local consumption; it is in the fertile and relatively less populated Southern •Cochin-china that the high quality grain is cultivated in an abundance that allows considerable export. Rich rubber plantations are scattered over the Southern-Central plateaux, and maize forms the third principal crop. Other areas produce tea, coffee, quinine and groundnuts; minerals include iron ore, anthracite coal, tin, zinc, phosphates and tungsten.

The population of Viet Nam, comprising the three provinces or "Ky" of the North, Centre and South, i.e. Bacbo, Trungbo and Nambo, numbers twenty million people, eighteen million of whom share Vietnamese as their current and only language. Local dialects are spoken by ethnic minorities such as the Moi in the plateaux of South Annam, and the Muong, Thai and Tho who inhabit Upper Tonkin and Upper Annam. These scattered minorities are of Indo-Malayan origin in the South and of Chinese origin in the north.

Vietnamese culture derives mainly from Chinese civilization, inherited from ten long centuries of Chinese domination. For thousands of years the country was troubled by constant invasions from her large and powerful sister country of the north. All during this time she stubbornly fought, over and over again, to rid herself of the invader, and thus she obtained constant and deep experience in struggling for her independence. Because of the racial similarity of the two peoples, these centuries left their mark; and the people of Viet Nam, particularly those of the north, grew in tradition and culture closely akin to the Chinese. The Chinese left them, too, the habits of centralized, well-organized administration.

Towards the year 939 the Vietnamese, after a long drawn-out struggle, managed to free themselves from the Chinese Yoke. And from then onwards, little by little, they began to spread southwards and to penetrate Southern Annam. Between the thirteenth century and the seventeenth, they occupied the delta of the Mekong. From the seventeenth they remained thus until the French conquest, and in 1802 power over the whole country was restored to the Emperors of Hué.

With the coming of the French colonialists at the end of the nineteenth century, the country 'united as had never before been known'<sup>1</sup> was cut up by the imperialists into three administrative districts, Tonkin (north), Annam (centre) and Cochin-china (south). This arbitrary division corresponded to no political, economic or cultural grouping, but represented merely the three stages in the colonial conquest. But it never succeeded in dividing the people, who have remained one and the same nation despite the artificial geographical limitations imposed upon them.

## II

French policy in Indo-China was primarily one of progressive disintegration of the State of Viet Nam. This opened with the annexation of Cochin-

<sup>1</sup> Charles Gosselin : "*L'Empire d'Annam*".



china under Napoleon III and was continued until the young Emperor Bao Dai came to the throne of Annam in 1925. 'The French Government finished by cutting him off from all vital sources; and the ancient Empire of Gia Long, drained of all life, remained little more than a pompous structure, existing in fulfilment of the terms of the Protectorate, and utterly useless.'<sup>1</sup> France ruled Viet Nam by virtue of the Protectorate Treaty drawn up in June 1884. Under this Treaty, the administration of the provinces was left to the native Government, with France maintaining 'Agents' in the 'open ports' only, which agents came under the authority of the Resident at Hué (capital of Annam and seat of the Empire). In Tonkin, French residents were installed in the principal towns only. Thus provincial administration throughout remained a matter for the Vietnamese and internal sovereignty was left to the court of Hué; only external sovereignty was yielded to France.

Three years later the French, by a series of Ministerial decrees, set up what they termed 'The Indochinese Union', adding to the three separate countries they had already created two further ones, Laos and Cambodia. This Union became the concern of the French Colonial Minister and was placed under the authority of a French Governor General who controlled both external and internal affairs as well as the budget. At the head of each province was a French administrator. Local administration was gradually snatched away by the greedy hand of the colonialists. As early as 1886 the Court of Hué had been compelled to delegate its local powers in Tonkin to a French Viceroy; eleven years later this post was abolished and its functions turned over to the French Resident Superior who became virtual master of the country. In Annam, the various privileges left to the Emperor were systematically withdrawn and the Annamite administration duplicated at all levels until it was the French alone who ruled over local politics. Thus in time Tonkin and Annam came to be governed by almost direct colonial administration just as Cochinchina, which from the start had never been a 'Protectorate' but a colony, the occupation of which, begun in 1863, had been completed by 1867.

The final stage of 'colonization' occurred with the death in 1925 of Emperor Khai Dinh. Taking advantage of Bao Dai's minority, Governor Pasquier imposed the Convention of 6 November 1925 on the Court of Hué. This legalized the situation created by the successive transgressions on the part of the French administration of the 1884 Treaty. As French control became tighter and tighter, provincial mandarins were reduced to mere figureheads. Nothing remained to the Emperor save 'certain regulations concerning the rights or constitutional rules of the realm.' 'All other questions concerning justice and administration of the realm, the organization of services, the recruiting and nomination of Annamite civil servants at all levels, to be dealt with by statutes passed by representatives of the Protectorate.' (Art:1 &2).

Despite the racial and cultural differences between the two people, the French coupled their policy of disintegration with one of assimilation.

<sup>1</sup> Jean Rochoir: *Climats*, 10 September 1947.

French, for example, became the compulsory language, whereas Vietnamese was only spoken in the home and taught in the primary schools. Vietnamese students were not allowed to go elsewhere than to France, and even to go there, countless restrictions and formalities had to be gone through. It is safe to say that out of the whole of Indochina, some twenty students a year had the privilege of studying in France; and of these, not one half enjoyed scholarships.<sup>1</sup> Their educational policy was one of forced obscurantism. And over these uneducated people, the French Government held a monopoly in the sale of opium and alcohol, which accounted for a large source of their revenue. They imposed, too, a salt excise, whereby the peasant had to sell the salt he extracted for a nominal sum to the Administration, then buy it back at far higher rates. Exorbitant land taxes often compelled the peasants to sell out the greater part of the crops they grew to feed themselves. There was no provision for social insurance or assistance for the poor.

The French remained entrenched in their wealthy colony (which was wealthy for none but themselves) until the coming of World War II which was to shake the foundations of their might in the Far East. 1940 saw the Japanese entry into Indochina and the failure on the part of the French to offer any resistance to the invader. Two alternatives were thus open to the colonialists: flight or capitulation. Some of them fled, but the greater part, including the administration, chose the easier course of collaboration with the new foreign masters. Early attempts by the Vietnamese to resist the Japanese forces were ruthlessly suppressed by the Japanese armies assisted and reinforced by French soldiers—uprisings at Bac Son (Tonkin) in 1940, Do luong (Annam) in 1941 and at Cao Lanh (Cochin-china) in 1942 cost the lives of some hundreds of thousand Vietnamese patriots and defenceless civilians. Vietnamese leaders learnt thereby a bitter but fruitful lesson—that their enemy in this world wide war was not only the Empire of the Rising Sun but the Vichy led French administration too, and that from henceforth their struggle had to be twofold. From this experience was born the Vietnamese anti-Fascist resistance movement of which so much was to be heard subsequently—the Viet Minh.

### III

It was in 1942 that nationalists and anti-Fascists escaped to China and formed there the Viet Nam DocLop Dong Minh, or League for the Independence of Viet Nam, under the revolutionary leader Ho Chi Minh. Gradually it gathered under its wing all the underground organizations existing both within Viet Nam and outside the country. The League's programme consisted mainly of the setting up of a democratic régime based on the principles of democracy, the guarantee to all, men and women alike, of democratic rights, and the organization of a national army. It made plans for the economic, cultural and social rehabilitation of the country—plans which were to form the basis of the undertakings of the future national Government.

Meanwhile, the French in Indochina continued collaborating with

<sup>1</sup> For statistics concerning schools, universities etc., see later.

Japanese. Countless appeals were launched by the Viet Minh calling on the French to co-operate with them in driving out the Fascist foe; but these met with negligible response, even at a time when Allied forces were on the verge of victory in Europe and were making headway in their Pacific campaigns. The Japanese, on the other hand, withdrew the hand of friendship from their French 'allies'. Japanese attitude towards the French at this time was one of scornful contempt, whereas that of the French was servile and submissive. Such was Admiral Decoux's servility towards the Japanese that an official there at the time said of him: 'When a Japanese asks for blotting paper, he sends him the desk and the armchair as well'.<sup>1</sup>

In *Temoignage sur l'Indochine* published by the Groupe de Français d'Indochine we read: 'The Japanese wanted nothing more than to replace their own imperialism for that of the French'. After six months of guerrilla warfare and outstanding successes of the resistance under the direction of the Viet Minh leaders, and assisted by American parachuted supplies, the Japanese Commander was led to overthrow the French by the 'coup de force' of 9 March 1945, and to offer a so-called independence to Viet Nam, hoping thereby to win over the nationalists to the Japanese cause. But the resistance wanted nothing of this nominal independence under the pro-Japanese team set up at the head of the 'National Government', just as had been effected in the same fashion in the Philippines, Burma and Nanking. On 12 March, three days later, the Central Committee of the Viet Minh League made public its declaration to intensify military operations, and the resistance became daily more forceful and magnificent; so that on 4 June, barely three months after the Japanese 'coup,' Ho Chi Minh was able to proclaim the official establishment of a liberated area 40 miles from Hanoi (Tonkin) where a politically independent régime was installed.

The Japanese, seeing the futility of attempting to decoy the nationalists by shallow promises, turned to the use of force. But their onslaughts were stubbornly repulsed, and towns blockaded for many months were seized by the Vietnamese commander Vo Nguyen Giap. General insurrection was declared by the Viet Minh forces and opened up during the month of August. On 14 August the pro-Japanese Government headed by Bao Dai, called upon by the Viet Minh League to surrender, capitulated. Emperor Bao Dai abdicated in favour of the forthcoming republic; and finally, on 29 August, Hanoi was penetrated by the national Army of Liberation. On 2 September, the Democratic Republic of Viet Nam was proclaimed and Ho Chi Minh elected President. Bao Dai was appointed Supreme Adviser to the new nationalist Provisional Government.

General elections were held throughout the territory of Viet Nam in January 1946. On 6 January, all men and women of 18 years and over, in French-occupied Cochinchina as in Tonkin and Annam, went to the polls. This was the first time the people had been given the opportunity to express their will; and it was recorded that in the free area 90% of the

<sup>1</sup> *L'Ordre*, January 26/27, 1947.

people made use of their vote, and as many as 80 % in the occupied zone, where elections were held underground and in conditions of extreme hazard. 'Neutral observers, including Americans, testified that the election was conducted in an efficient and orderly fashion and that the overwhelming popularity of President Ho was undeniable'<sup>1</sup>.

The new Constituent National Assembly that sprang from the elections was composed of 300 Deputies, three fifths of whom were intellectuals and one fifth peasants. 4% were women. All parties, from the Democrats with 45 deputies to the Marxists with 10, were represented. 57% were Independents. Thus a party union was forged; and, at its first meeting on 2 March 1946 held in Hanoi, capital of the Republic, the Assembly unanimously elected Ho Chi Minh as its President. On 8 November 1946, by a vote of 240 to 2, the Assembly adopted the new Constitution which was proclaimed the following day.

The characteristic feature of the Constitution is the People's Committees. These are to be found at every level; the Communal committee, the Cantonal, the Regional, the Provincial, the municipal and the local. Chosen directly by the people, they have as their purpose the safeguarding of the interests of the people, who thereby can fully partake in the conduct of affairs. The President and Vice-President of the Republic are elected by Parliament. Parliament itself is elected normally every three years, 'there being ordinarily one parliamentary representative for every 50,000 inhabitants.' (Article 24). Under the Constitution, equality of rights is guaranteed to every Vietnamese citizen, man or woman, and to ethnic minorities as well. All democratic freedoms are similarly guaranteed.

This Constitution has been called the pride of the Ho Chi Minh Government. But other pressing tasks awaited the attention of the new Government, in the social, economic, financial and cultural domains. It is not out of place to mention here that from the time of the Proclamation of her Independence, Viet Nam has received no outside assistance. Furthermore, all her efforts have had to be directed towards the fight for the safeguard of her threatened independence and unity. It should not be forgotten that almost since its initiation, the Republic has been waging war as well as fighting conditions within the country.

The most urgent problems lay in the economic field. The greatest fear was lest the disastrous floods and famine of 1945 should recur. Rice requisitions by the Japanese and French to the amount of 377,000 tons, and floods caused by the overflowing of the Red River in August 1945, had brought about widespread famine during the course of which some two million persons perished. From September to December the country had then suffered from a long drawn-out drought. The rice harvest of November 1945 was sadly deficient; the next one was to be in May 1946. The Government forthwith launched a campaign to increase production and plough up all cultivable land. 'Not an inch of uncultivated land; not a single idle hand!': this was the

<sup>1</sup> George Sheldon, 'Status of the Viet Nam,' *Far Eastern Survey*, 18 December 1946.

slogan adopted to spur on and encourage the population. So great was the success of the campaign that by 3 March 1946, the Minister of Agriculture was able to announce that famine had been avoided. At the same time, throughout the length of the northern part of land the greatest efforts were made to ensure the safety of the dykes which were vital to the protection of the rice-fields from floods. Within two years, thanks mainly to new systems of irrigation, 70,000 acres were added to the area of land under cultivation. Rice production rose from 1,552,000 tons in 1945 to 1,860,000 in 1947. 165,000 tons of maize were produced in 1947 as against 56,000 tons in 1945. Sweet potato production rose from 65,400 tons to 285,000. (Figures<sup>1</sup> released by the Viet Nam Board of Agriculture). The Government also assisted farmers directly by loans which in 1946 amounted to 2,577,484 piastres and benefited 9,392 people. There was also the question of over-population, a part answer to which lay in the furtherance of land cultivation. The Government spent as much as one million piastres on clearance of unploughed or fallow land. A Governmental Decree of 2 March 1947, attempted to reduce by 50 % the density of population in areas over-populated in relation to the maximum schedule drawn up in the decree. It further allotted to any citizen over 18 years the right to seven acres and a half of state-owned fallow land, on condition that the land be cultivated. At the end of a two year period, the land would revert to the original tenant, the cultivator being entitled to full enjoyment of the harvest. This compulsory loan was applied also to municipal and communal land and to beasts of burden and farm implements. Perhaps the best evidence of the tremendous achievements of the Government in this sphere is furnished by the French High Command itself (which could hardly be presumed to be biased) in a Staff Communiqué of April 1948: 'All the rice fields in the delta are under cultivation, even in the regions north of the Red River.'<sup>2</sup> The re-populated villages are under reconstruction and it really seems as if the food problem has been solved satisfactorily.'

Perhaps the worst legacy of the French colonial rule was the high percentage of illiteracy throughout the country. In 1945 90% of the people were illiterate. Looking to the future, the Government realized that no social or political reform could be successfully accomplished while such a condition prevailed. One of the first steps it took was to promulgate three decrees dated 8 September 1945, (but six days after the proclamation of independence), providing for the setting up of a service of popular instruction throughout the country, and the institution of popular evening classes for peasants and workers. At least one class of 30 pupils was to be established by each village commune within six months. Pending the establishment of compulsory primary education, the teaching of the national language in its simplified form (quoc ngu) was to be compulsory and free of charge. These decrees further held that within the space of one year, all Vietnamese over eight were to know

<sup>1</sup> These figures concern only the North and the North Centre of Viet Nam. For the rest, on account of the war conditions, statistics are not complete enough to be made public.

<sup>2</sup> 'which has most suffered from the autumn offensive last year.'

how to read and write quoc ngu. Failure to do so would be punished by fine. The people, denied for so many years the opportunity for education, and hungry for culture, responded vigorously to this nationwide campaign. Classes in elementary instruction, led by local volunteers most of whom were women, sprang up in the villages and towns. Only three to five months are required for learning to read and write quoc ngu; and by the end of the first four months (August to January), 800,000 people out of some sixteen million illiterates in the North and Centre had mastered quoc ngu. By December 1946, two million people had been wrested from ignorance. In June 1948, the Government was able to claim that 7,500,000 people could now read and write. Only 20% of the population is now illiterate. By 1947 there were 4,223 primary schools as against the 528 when the French lost power, 148 advanced primary schools, and 32 in place of the former 4 secondary schools. In the field of advanced studies, 2500 students now attend the University of Hanoi whereas only 800 were recorded for the year 1941-42.

When the Government took office in September 1945, it was faced with a public debt of over five million piastres and with high inflation caused by the unrestricted fiduciary issue under the French (it had increased from 25 million in 1944 to 250 million in 1945). Cash reserves in the Treasury amounted to no more than 1,250,000 piastres. The Bank of Indochina had repudiated all \$500 notes. Notwithstanding the poor state of its national budget, the first concern of the Government was to abolish or reduce the extortionist taxes that had been imposed on the people by the French administration. Thus, by a decree of 7 September 1945, the poll tax was abolished. In October there was a 25% reduction in land taxes in general, and exemption from these taxes granted to flooded areas or zones which had suffered as a result of military operations. Plans were made for an overall reform of the fiscal system, on the principle of tax imposition after revenue. To meet both inflation and the high costs of war, the Government repudiated Bank of Indochina notes by a series of Orders from April to July 1946. They then created a national currency, the first 'Ho Chi Minh banknotes' appearing in the central regions in February and throughout the country in November 1946. Two years later, despite the expenses of national defence and reconstruction, the state of the Treasury is considerably improved. Bank of Indochina piastres are now completely out of circulation—by a decree of April 1948, all hoarding, speculation and circulation of the piastres are strictly forbidden. On the other hand, the French authorities have been compelled to recognize Vietnamese banknotes.<sup>1</sup> Vietnamese financial autonomy was finally sealed with the Governmental Decree of July 1948, which introduced the Vietnamese piastre containing 0.375 grams of pure gold. By virtue of the same decree, plans have been made for the establishment of a National Bank.

Finally, in the social domain the Government has been no less active. Pending the completion of a Labour Code, it took several provisional measures

<sup>1</sup> Cf. Bank of Indochina statement (under the authority of French Commissioner in Tonkin), of 12 July 1948, (*Agence France Presse* 13 July 1948).

in order to safeguard the workers' rights. Among these we may note measures taken towards social security and protection of women and children workers. The Labour Code was eventually approved by the National Assembly in March 1947. It provides for Internal Committees of workers in all undertakings to watch over the organization of work, discipline, safety and health of workers, right to holidays etc. Equal pay for equal work is accepted in principle. Family allowances are granted, also sickness and pregnancy leave and accident compensation. Night work is prohibited for all women, and youths under 18 years. Further achievements in the social field include the establishment of blood transfusion units for wounded soldiers and the setting up of a Vietnamese Red Cross. All sales of opium, alcohol and spirits are strictly forbidden, as are all forms of gambling.

So much, then, for the achievements of the young Vietnamese Government. Meanwhile, what had been happening *vis-a-vis* the French? We have already stressed the difficulties under which the Government was labouring hampered as it was by its constant concern with the waging and the progress of the national resistance. With the Japanese downfall and the Allied entry into Indochina in September 1945, the French were quick to seize the first opportunity to regain their foothold in the country. Along with British forces under Brigadier General Gracey, they manœuvred a 'coup de force' at Saigon. The Vietnamese, taken unawares by this surprise attack by those whom they considered their allies and friends, rose up in might, and not without success, against the colonial expeditionary force under the leadership of Thierry d'Argenlieu. First attempts to put an end to the strained relationships between France and Viet Nam which were thus aroused, were made by the calling of a Conference in March 1946, from which resulted the Preliminary Convention signed between the two countries on 6 March. By this Convention, France recognized Viet Nam as a 'Free State, with its own Government, Parliament, Army and Treasury, forming part of the Indochinese Federation and the French Union.' The French Government pledged itself to a referendum to determine whether the three Ky (Tonkin, Annam and Cochin-china) should be united, or whether the people of Cochin-china preferred to remain apart. The Accord stipulated the immediate cessation of hostilities, with a view to creating an atmosphere favourable to the drawing up of a definitive treaty between the two countries. On the very same day of the signing of the agreement (witness of French 'good faith'), French troops tried to land at Haiphong harbour.

This Accord envisaged, as did the final agreement which was to mark the final rupture between the two nations, 'future negotiations' to deal with the vexed question of Vietnamese diplomatic relations abroad; with the future status of Indochina; and with French economic and cultural interests in Viet Nam. Accordingly, a further Conference was called at Dalat in South Annam in April 1946. Here the Vietnamese delegates brought forward the question of the continuance of hostilities in Cochin-china, to which the French replied that it was a purely local matter and not the concern of a round table conference! The French eventually proposed a joint Committee to be set up in Hanoi to

try to end the fighting. But final settlement was far from being reached; and in July, negotiations were again taken up, this time in France, at Fontainebleau. Significant of French colonial reaction all during this long period of weary negotiations and almost cross-purposes conversations, is the fact that on the very day (June 1) that President Ho left for France the French High Commissioner set up an 'autonomous Republic of Cochin-china.' And, as if in contempt of the French 'back home', and whilst discussions were in full swing at Fontainebleau, d'Agenlieu summoned a second Dalat conference to be attended by representatives of the new Cochin-chinese Government, together with delegates from Cambodia, Laos and South Annam. No representatives of the Ho Government were invited. This was a bitter blow to the Ho delegation in France who were trying to hammer out some just and equitable terms for agreement with the French. Negotiations came to a standstill; and all that resulted from this last attempt at friendly settlement, was the Modus Vivendi of 14 September 1946, which was confined to economic and cultural questions and the immediate problems of public order. The provisions included the promise of equality of treatment and status to French nationals and property in Viet Nam and to Vietnamese property throughout the French Union. French schools were to function freely in Viet Nam. In the economic field, Viet Nam promised to give priority to French technicians and experts. Finally, (once more, and equally fruitless as before) all hostilities were to cease. And, as if loath to accept a final showdown between the two peoples, delegates agreed to meet for final agreement at the latest in January of the coming year, 1947.

Since the signing of the Modus Vivendi, the French have made no attempt to meet the Government of Ho Chi Minh other than on the field of battle. There, their forces have steadily been reduced and their military strength diminished as strongholds have been snatched from them. Indeed, far from bringing about a cessation of hostilities, the Modus Vivendi seems to have been a signal to the French authorities in Indochina for their renewal. 'We must teach the Vietnamese a hard lesson' wrote General Vaaly, C-in-C of French Forces in Tonkin (telegram to General Morliere, High Commissioner in Tonkin, 29 November 1946). November witnessed the breaking out of severe skirmishes locally, and by December hostilities had become widespread. The French consistently ignored telegrams of protest against French violations of Accords signed, sent to them by President Ho, just as they ignored all Vietnamese attempts for the reopening of negotiations towards a peaceful settlement of the conflict. And as if realizing the hopelessness of the situation from the military viewpoint, though unwilling to accept withdrawal and defeat, the French from December 1946, practised a new tactic alongside their military campaigning—the game of political puppetry. They installed 'Provincial Administrative Committees' whose leaders, chosen by them, were amicably disposed towards them. Nguyen Van Thinh, whom they had set up as President of their own 'Cochin-chinese Government', and who committed suicide five months later (November 1946), was replaced by Dr. Levan Hoach, former Police Commissioner under the Japanese; and upon this latter's



resignation after a few months in office, the French gave the honours to one General Nguyen Van Xuan, of whom more was to be heard later. Rising somewhat higher in their scheming, the French looked round for a 'substitute' to Ho—one with whom they could arrive at some sort of agreement and so give the lie to their continuing imperialist ambitions. Thus they dragged out the Ex-Emperor from his hide out in HongKong, and with him held a series of meetings of which the most important was that arranged with Emile Bollaert, French High Commissioner, on board a French cruiser in the Bay of Along, north Viet Nam (December 1947). Bao Dai, under French auspices and with the welcome aid of the French tax payer, made a journey to Europe, where he was received with ostentation in Paris, and flattered and fêted in Geneva. Negotiations, however, were not so felicitous in their outcome, and, despite numerous attempts by M.Bollaert to coax the ex-Emperor into commitments, the latter did not feel confident enough in face of the stiffening of Vietnamese resistance around the Government of President Ho. To bring pressure to bear on the playboy-Emperor, the French then promoted Nguyen Van Xuan, now a newly created General, to the presidency of a Government which they created and called the 'Provisional Central Government of Viet Nam' (May 1948). Apart from a minor stir in the French and international press, this latest move has been as unimpressive and indeed as abortive as the rest.

For does not the resistance war go on? Are the French any nearer to the settlement of their self-created troubles in Indochina than they were at the signing of the Modus Vivendi, over two years ago? What have their armed campaigns brought them but an increase of strength in the opposition forces; their various political stratagems but an increase in loyalty towards the National Government? It cannot be said that the directors of French policy are unaware of these revealing facts, any less than those who fight and plan on the spot. Why then, do they steadfastly avoid recognition of the legal Government of President Ho, wherein lies the only hope of peaceful solution. And why do they similarly refuse to acknowledge the independence and unity of the country under its Republican Government?

Viet Nam, so runs the French claim, would be unable to rule herself. True, during the years of French domination, she had little chance of proving her ability in matters of government. But what of the long period before the arrival of the colonialists, during which she enjoyed a glorious independence and experienced the practices of self-government and administration? Since the coming to power of the Democratic Republic, has she not on the one hand been waging a successful war against the colonialists, where, despite under-equipped guerrilla forces, she has matched far superior French forces; and on the other, has she not proved before the world that she is capable of achieving astonishing advances in the political, economic, social and cultural spheres? But the French throw up another argument. Independence, they say, would lead to attempts by the Vietnamese to dominate the ethnic minorities of Cambodia and Laos. But for their part, the Vietnamese are concerned only with the three countries of Tonkin, Annam and Cochinchina, over which they claim authority. Cambodia and Laos are still controlled by the French.

Within these three Ky, Viet Nam has enough potential resources to be a self sufficient unit. Moreover, she is, and will be, too occupied with economic reconstruction and the rehabilitation of her people and her lands to concern herself with military conquest or subjugation, to which she has always been alien, as her history has shown it during centuries.

Even, say the French, were Viet Nam capable of self rule, we could never agree with the Ho Chi Minh Government, for this would surely lead to the Communists getting hold of the country and to the establishment of the totalitarian system. The threat of communism is dangled by the French before the eyes of the world, in order to get international support for their unjust war. The Government of Ho Chi Minh is a coalition government in which all parties are represented. All parties in the country are free to operate legally except where unconstitutional methods are employed. The future pattern of Vietnamese politics cannot be discerned now; but whatever the Government may be, it will reflect the will of the people themselves and not any outside choice imposed upon them, just as Ho's administration has been chosen by the National Assembly that arose from the General Election of 1946. And how could this be a totalitarian Government, when continuous proof is being given of its popular backing? Not only are declarations of support forthcoming from various political and cultural organizations and religious groups; further than this, almost all prominent intellectuals, businessmen, known to have no ties with communism, and even members of the Royal Family and personalities in the old monarchic régime have openly manifested their sympathy with the National Government.

What would happen to our vested interests, ask the French, if we were to negotiate with this Government? We fear the terms of agreement would not be honoured. To this the Vietnamese would reply that only by signing with this Government of the people could the terms of any treaty be carried out and the safeguarding of any interests be guaranteed, since this Government alone is recognized and obeyed by our people. Have not the French had adequate proof of this in the failure of their successive moves in the game of political puppets?

Viet Nam's struggle is part of all-Asia's struggle to shake off European political and economic domination. For some, this freedom has been realized. For others, there is still a hard fight ahead. In the case of Viet Nam, freedom has in fact been regained, but it has been threatened by resurgent imperialism which is employing forceful and unscrupulous methods. But the wheel of history is revolving, and its progress cannot be checked. The drive is all the more irresistible now that Asia is awake, not only to national independence, but to the community of interests of all countries within the great continent and the democratic aspirations of all its peoples.

## INDIA AND THE WORLD

UNITED NATIONS GENERAL ASSEMBLY: PARIS.  
SEPTEMBER-DECEMBER 1948

THE third session of the General Assembly opened in an atmosphere of great tension among the great powers due to the Berlin crisis. Though it ended with that tension at least partially reduced, its practical accomplishments were very small. The six Soviet bloc countries, with occasional small deviations from Yugoslavia, continued to approach every proposal on the agenda in terms of the political struggle between the East and the West. The Western camp countered this attitude with an equally rigid front and there was an attempt to 'outtalk' and finally outvote the Soviet bloc.

Shrimati Vijaya Lakshmi, leader of the Indian delegation, in her opening speech called for world peace and disarmament and the early termination of the colonial system. Pointing out to what she called the disappearance of harmony among the Big Five, she appealed for tolerance and moderation. India felt that future conflict was inevitable if the world were divided into two distinct and opposing groups and she believed that she was helping to maintain peace by avoiding alignment with either. India decided her attitude on questions which came before the General Assembly on their merits, irrespective of how the two power blocs viewed them, and she attempted, where she could, to bridge the gulf between the two.

### APPLICATION FOR U. N. MEMBERSHIP

The *Ad Hoc* Committee of the Assembly considered the membership of 12 nations; Albania, Austria, Bulgaria, Ceylon, Eire, Finland, Hungary, Italy, Mongolian People's Republic, Portugal, Roumania and Transjordan. The attitude of the Big Powers to this issue depended upon the alliance of the proposed new member to this bloc or that bloc. M. Vyshinsky, the Soviet delegate, told the Committee that if the conditions of membership were complied with by a state, it must not be discriminated against by any one power, whether it liked it or not, or whether it had diplomatic relations with it or not. The United States delegate said that the Mongolian People's Republic had not opened its doors to the outside world. He complained that Albania and Bulgaria were assisting the guerilla forces in Greece and that in Bulgaria, Roumania and Hungary oppressive and tyrannical practices were continued by the Governments.

In the Security Council the U.S.S.R. had previously blocked Ceylon's admission by vetoing her application for membership. India championed the admission of Ceylon and Eire to the United Nations. Her delegate, Mr. M. C. Setalvad, declared that 'peace and friendliness between nations can only be attained when all peace-loving nations are able to come together in this organization in a friendly co-operation'. In the view of the Indian delegation, Ceylon had fulfilled all conditions laid down in the Articles of the Charter. Pakistan, Canada, New Zealand and Australia supported Ceylon's membership. Soviet Russia and Poland requested that the discussion about Ceylon's

membership be postponed until they had sufficient time to study the whole question. The *Ad Hoc* Political Committee approved Ceylon's application for membership by 38 votes to six with six abstentions. India was one of those who abstained, because she stood for a unanimous decision on this issue.

In the General Assembly, the United States strongly supported the application of Ceylon for membership. The Ukrainian delegate accused the Western Powers of favouritism and discrimination in voting for some countries and not for others. The Polish delegate voted against the application of Ceylon, but said that the vote was not against the people of Ceylon. He pointed out the discrimination of Western Powers against the Mongolian People's Republic which had just as many qualifications as Ceylon to U.N. Membership. The Indian delegate said that his country, because of her intimate and very long association with Ceylon, felt a special measure of satisfaction in welcoming her into the U.N. Moreover, the continent of Asia and particularly the region to which Ceylon belonged was as yet inadequately represented in the United Nations. The General Assembly finally supported the application of Ceylon and asked the Security Council to reconsider the application. Voting was 41 for, six against and no abstentions.

The issue again came up before the Security Council and as the Russian delegate vetoed Ceylon's application a second time, it was rejected.

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#### INDO-SOUTH AFRICAN DISPUTE

The Government of India presented a four-point case in bringing the Indo-South African dispute before the General Assembly. The points were: (1) The South African Government was committed to the policy of racial segregation and the domination of all non-white peoples by Europeans. (2) The South African Government's Asiatic Land Tenure and Indian Representation Act still remained on the statute book; (3) The South African Government had proclaimed its intention of taking away the restricted political rights as enjoyed by the Indians and other Asians. (4) The policy of residential and commercial segregation was to be extended to the Cape Province, the only part of the Union of South Africa which had been comparatively free from racial segregation and political discrimination. The Government of India pressed for action under Articles 10 and 14 of the U.N. Charter. Placing the issue before the Assembly, Indian representatives stated: 'If the belief that there is to be one standard of treatment for white races and another for the non-white continues to gain strength among the latter, the future for solidarity among members of the U.N. and consequently for world peace, will indeed be dark'.

South Africa maintained that the matter was unquestionably a domestic one in the terms of the Charter. During the meeting of the General Committee Mr. Louw, the South African delegate, even warned that if India's recommendations to discuss the treatment of Indians at the U.N. General Assembly were adopted, the South African delegation would have to consider its position regarding taking part in future discussion of the matter. In the General Assembly, Mr. Louw said: 'I wish to state definitely that our attitude

regarding the Assembly's competence or jurisdiction must not be regarded as a mere formal protest. On the contrary our standpoint on the jurisdiction issue is the very essence of our reply to the Government of India's request to place their complaint on the agenda'.

Sir B. N. Rao of India told the General Assembly that the South African objection was not new. It had been raised and over-ruled on two previous occasions when the U.N. had discussed the question. India only asked that the discussion would be resumed and decision would be reached. There was a growing realization of the fact that the treatment of Asians might have a great bearing on the peace and security of the world. The Indian delegate said that the peoples of China, India, Pakistan and Arabia, who comprised the bulk of the world's population, were all vitally interested in the outcome of the debate.

The General Assembly decided to retain on its agenda the question of the treatment of Indians in South Africa.

#### SOUTH-WEST AFRICA'S STATUS

Before the World War of 1914-1918 South-West Africa was a colony of Germany. After the War, the territory was placed under the authority of the Union of South Africa by a League of Nations' mandate. Now South Africa wants the closer integration of South-West Africa with the Union, though at two previous annual meetings of the General Assembly South Africa has been pressed to transfer South-West Africa to the United Nations to be administered under a trusteeship agreement.

During the meeting of the U.N. Trusteeship Committee, a resolution drafted by Brazil, India, Norway, Pakistan and the United States recommended that the Trusteeship Council should consider at its next session comments and suggestions made during the discussion of its report in the present session of the Assembly. The South African delegate opposed this resolution and stated that when his country provided the United Nations with reports on the administration of South-West Africa, it was clearly stipulated that this should be on a voluntary basis and for information only, with the distinct understanding that the United Nations had no supervisory jurisdiction in this territory. He stated that the Union Government could not admit the right of the Trusteeship Council to use the report for purposes for which it was not intended. He further declared that the Union Government did not recognize the authority of the United Nations on South-West Africa, because the League in its deathbed did not attempt to make the United Nations its legatee for mandated territories. The Chinese delegate opposed this view and said that South Africa had a legal and moral obligation to submit South-West Africa to a Trusteeship agreement unless the South African Government intended to defy the majority decision of the General Assembly which had been repeated again and again.

In the Trusteeship Council meeting, Shrimati Vijayalakshmi submitted India's resolution which called on South Africa to place South-West Africa under Trusteeship agreement. The resolution recommended: (1) The Union

Government should continue to submit annual reports to the United Nations. (2) Such reports should be examined by the Trusteeship Council. (3) The Government of South Africa should not proceed with any measures aiming at the integration of South-West Africa with the Union. (4) A Commission appointed by the Trusteeship Council should visit South-West Africa as early as possible to observe the 'political, social, economic and educational conditions in the territory and to report on the results of its observations to the Council for submission with the latter's comments to the next session of the General Assembly.'

During the debate on South-West Africa in the Trusteeship committee, Shrimati Vijayalakshmi said that the result of the South African policy in South-West Africa had been the creation of an increasing number of migrant, landless and unskilled labourers, and the gradual demoralization of a once proud and self-respecting people. She warned the Europeans that they would pay the price for having adopted policies which were taking away the small rights of the non-Europeans in South Africa. South Africa's spokesman, Mr. Louw, launched a violent attack against the Government of India and against both Prime Minister Nehru and Shrimati Vijayalakshmi. At one stage, the Chairman felt compelled to pull up the South African delegate and warn him to leave personalities alone, but proceed with the statement of his case. The South African delegate referred to Hyderabad and Kashmir issues and to the 'inhuman treatment of the Muslim minority' in India. He said that Shrimati Vijayalakshmi's speech was only a part of the vendetta pursued by the Government of India against the Union of South Africa. According to him, the proposed closer association between the Union of South Africa and the territory of South-West Africa would not mean absorption, as had been suggested. The local legislature would be given powers considerably exceeding those enjoyed by provincial legislatures in the Union.

Soviet Russia, Poland and Czechoslovakia opposed the policy of South Africa. The attitude of the three Slav countries was summed up by the U.S.-S.R. delegate who said that the South African policy was one of 'flagrant racial discrimination, of depriving natives of their means of subsistence,—a reactionary and anti-democratic policy, based on the supremacy of the white man.'

Shrimati Vijayalakshmi, while replying to Mr. Louw, said that the only vendetta India pursued was against injustice. India felt that all members of the United Nations owed a special responsibility to peoples and countries who were not directly represented in the organization and she was only discharging it when she championed the rights of South-West Africa.

The Philippines delegates, during the debate, pointed out to the desirability of invoking sanctions, should South Africa proceed to incorporate South-West Africa. According to the Uruguay and Brazil delegates, though the League of Nations had liquidated itself without leaving behind definite instruction regarding mandated areas, it had drawn pointed attention to Chapters 11, 12 and 13 of the Charter as taking the place of the Mandates Commission. Pakistan delegate also strongly criticized South Africa's attitude. Only United Kingdom attempted to defend the legal aspect of South Africa's policy.

The Trusteeship Committee did not accept India's resolution.

However, the General Assembly rejected the South African claim to have a closer association with South-West Africa. The Assembly adopted the Trusteeship Committee recommendation that South-West Africa should be placed under the care of the United Nations rather than under the sole guardianship of South Africa. By 32 votes to 14 with five abstentions the General Assembly separately passed the crucial clause in the resolution to which South Africa was objecting that the General Assembly 'maintains its recommendations of December 14, 1946 and November 1, 1947 that South-West Africa be placed under the Trusteeship system and notes with regret that those recommendations have not been carried out.'

Indian and Cuban amendments, which would have greatly strengthened the resolution, were lost. An effort was made to water down the resolution further by removing the clause expressing regret that South Africa had not brought South-West Africa under trusteeship. Despite the support of Britain, Australia and Canada, it was defeated. South Africa was the only opponent to the resolution at the final voting, but Britain and other Dominions remained neutral; so did India for very different reasons from those which moved other members to do so—because she felt that the resolution, as endorsed by the Trusteeship Committee, lacked some essential features.

#### RESTRICTING THE USE OF VETO

During the meeting of the Minor Political Committee, Britain, United States, and China proposed 35 subjects, on which they suggested that the veto should not operate in the Security Council. Their resolution also stated that the 'Big Five' should seek agreement among themselves upon what possible decisions by the Security Council they might forbear to exercise their veto when seven of the Council's eleven members had cast an affirmative vote. Any of the 'Big Five' should use the veto only when they consider the question of vital importance taking into account the interest of the United Nations as a whole and then they should state upon what ground they consider this condition as present.

Mr. Shiva Rao (India) said that the real way to solve the problem was to make the Security Council, the organ on which rested primarily the responsibility for the maintenance of peace and security, discharge its functions in a healthy and normal manner. The normal functions of the Security Council depended, under the provisions of the Charter, on the unanimity of the five Great Powers. The unanimity was unattainable in the circumstances because of the differences and divisions between them. India considered that until these misunderstandings were removed, short of an amendment to the Charter, establishment of conventions alone could solve the problem. Such conventions, Mr. Shiva Rao pointed out, could grow only if the Big Powers should decide not to adhere to a legalistic interpretation of the Charter. When other issues were discussed, reference to moral obligations and to the spirit of the Charter had been held to be irrelevant and meaningless by some members. They, themselves, were then preach-

ing to other members standards which they were not prepared to accept and follow when their own interests were threatened. Mr. Shiva Rao requested the members to accept without reservations the implications of the Charter in all its chapters. He said that the United Nations were not prepared then to have a revision of the Charter and abolish veto.

The Soviet delegate denounced the Western Powers' proposal as a 'plot and conspiracy' against the Charter of the United Nations. The veto, he said, was the inevitable, unavoidable and natural result of a minority trying to defend itself against an 'evilful majority'. He favoured a general conference to revise the Charter. A Soviet resolution in general terms, calling for consultations between the Powers and stressing the principle of unanimity, was lost.

The Western Powers' resolution was passed in the Committee by 33 to six votes with four abstentions.

#### ATOMIC ENERGY CONTROL

In the United Nations Political Committee Canada submitted a resolution calling for the adoption of the atomic control plan, which for two years had been supported by the Western Powers, but opposed by Russia. The resolution called on all nations to 'fulfil their responsibilities to the world community by accepting effective international control of atomic energy'. The control plan, accepted by 14 members of the Atomic Energy Commission except the Soviet Union and the Ukraine, could be put into operation only, 'if the traditional economic and political practices are adapted to the overriding requirements of international security'. The resolution stated that co-operative development of atomic energy and the complete dissemination of information alone promised to remove fears and suspicions that nations were conducting secret activities.

The U.S.S.R. categorically rejected the resolution. The Soviet delegate insisted on the destruction of the existing atom bombs accompanied by a system of international inspection to ensure that they were destroyed. He attacked the American proposal that the international control agency should function independently of the Security Council and he feared that such a control would be American in character. Later, during the meeting, Russia softened her two-year stand on atomic energy by offering the dead-locked United Nations a compromise which called for simultaneous outlawing of atomic weapons and setting up of an effective international control body. The Soviet resolution proposed simultaneous signing, implementing and bringing into effect two conventions: (1) banning atomic weapons and all other arms of mass destruction and (2) providing for international control of atomic energy.

The British Commonwealth Nations and the Philippines welcomed the compromise offer of Russia and considered it an important step forward. But some Western Powers expressed suspicion about the sincerity of the Soviet Union.

An eleven-nation sub-committee was created for working out a com-



promise resolution on this matter. Sir B. N. Rao of India was elected Chairman of the Sub-Committee. He submitted a compromise proposal in the form of a draft resolution to be adopted by the General Assembly. Accepting the majority views as constituting the necessary basis for an effective system of control the resolution recognized the grave dangers to international peace and security resulting from the absence of an effective international control and noted that there were then indications that the situation which led the Commission to recommend suspension of its work no longer existed. It called upon the Atomic Energy Commission to resume and continue its work and to prepare for submission to the Security Council as early as possible a draft treaty incorporating its final proposals. The Indian resolution wanted the General Assembly to approve and accept in substance the general finding and recommendations of the Commission. Sir B.N. Rao told the Sub-Committee that for nations, as for men, the moment had come when they could save themselves by an act of faith. The United States delegate said that his country wanted to get an international agreement on the effective control of atomic energy and the prohibition of atomic weapons. But he feared that the areas of disagreement between the U.S. and the Soviet Union would be widened rather than reduced by starting the Commission's work again at that stage. The U.S.S.R. delegate complained that the U.S. and Britain were stubbornly maintaining their old positions. The United Kingdom delegate was of the opinion that the Commission, by beginning the work in defiance of Soviet point of view, would be making rapprochement between the Powers more and more difficult. The Sub-Committee did not come at a unanimous decision. In the Political Committee the Polish and the United States delegation opposed the Indian resolution for different reasons. The British delegate praised Sir B.N. Rao's efforts to achieve agreement. He shared the Indian delegation's desire to read into the proposals of the Soviet Union some indications of concessions and some readiness to show compromise.

The Committee, however, rejected the Indian proposal. The Soviet compromise resolution was also not accepted, but the Committee implicitly agreed that the Soviet proposal made it worth while to continue to work towards agreement and so it instructed the Atomic Energy Commission to proceed with drawing up an international treaty to control atomic energy.

These decisions, supported by most Western delegations, although opposed by the Eastern Bloc, represented a considerable modification of the attitude brought to the General Assembly by the United States, Britain and Canada. These Powers had previously urged the adoption of a Canadian resolution, which would have suspended the Atomic Energy Commission and would have had the General Assembly pronounce judgment on the refusal of the Soviet Union to agree with the far-reaching control plan elaborated by the Western majority on the Commission. By the efforts of Australia and India, supported by several South American States and under the influence of the Soviet claim to be willing to compromise, the U.S., Britain and Canada agreed to hold the door open.

The General Assembly had before it the Western Powers' resolution, which was adopted by the Political Committee, which would set the seal of the United Nations on the international control plan drawn up by the Western majority on the Atomic Energy Commission. The resolution proposed that the Commission should continue its study of the subjects which it thought useful and that the Big Five and Canada, the original sponsors at the attempt at Atomic control, should meet to see if there existed a basis for agreement.

India proposed as a compromise that the Assembly should approve the Western Powers' plan only in substance and that the Atomic Energy Commission should be instructed to draft a treaty as quickly as possible based on its final proposals. Shrimati Vijayalakshmi, the Indian delegate, said that India could not agree to the Western plan for the international ownership of Atomic raw materials and of the chief production processes. Atomic energy would play an important part in India, because she was an undeveloped and under-powered country. It was difficult to isolate the economic aspects of Atomic Energy from the economic aspects of other raw materials capable of producing power and from the economic aspects of all raw materials which were of value to man. India recognized the importance of Atomic Energy as a source of great power and did not want it to be controlled by an international body.

The Assembly rejected the Indian proposal. The President put the proposal into two parts. The suggestion of 'approval in substance' was rejected by 15 votes to 9 with 26 abstentions. Britain abstained, while the United States opposed. The order to the Atomic Energy Commission to draw up a treaty at once was rejected by 31 votes to 5 with 15 abstentions.

The Soviet proposal was rejected by the Assembly by 40 votes to 6 with 5 abstentions.

The Assembly finally accepted the Western plan for international control of atomic energy by 40 votes to 6 with 4 abstentions. India was one of those who abstained.

#### PALESTINE

During the debate on the future of Palestine in the Political Committee, India reiterated her opposition to the partition of Palestine. Mr. M.C. Setalvad, her delegate, suggested that the General Assembly should adopt a proposal for a federal state, with autonomous Jewish and Arab areas. No solution of the problem, which was not based on the agreement of the Arabs, could be satisfactory. The Arabs had refused to accept partition. Therefore, any attempt at finding a solution, which proceeded on the assumption that partition as envisaged in the 1947 resolution was sacrosanct, was doomed to failure. Events had proved this fact.

Britain had at first submitted a resolution endorsing the Bernadotte plan for Palestine. The principal points of the Mediator's Report were that the State of Israel should receive the rich Western Galilee area and the Arabs (Transjordan) should receive the Negeve in the South of Palestine. The

Soviet delegate attacked both Britain and the United States for manoeuvring to shape Palestine to their own interests. He supported outright reaffirmation of the original 1947 partition plan.

Later during the meeting the British delegate withdrew the paragraph which recommended specific endorsement of the Mediator's proposals. He inserted a new clause recommending that a Conciliation Commission, which was to be set up, should direct its direct attention to the Report. The political Committee accepted this proposal of Great Britain. It gave the Conciliation Commission a broad mandate to seek agreement between the Arabs and Jews. The Commission was to draw up detailed proposals for a permanent international régime for Jerusalem and that formal guarantees be given for the protection of holy places throughout Palestine and that free access to them be assured.

The Committee, voting clause by clause on the British resolution, rejected the Anglo-United States proposal to incorporate Arab Palestine into Transjordan. Those who voted against this proposal included the 'Soviet Bloc', the Arab States, several South American States, Australia, India, Pakistan and Burma.

The General Assembly rejected the Count Bernadotte's plan for the Holy Land, and the British proposals were shorn of their power. The resolution which was accepted, was similar to the one adopted by the Political Committee. The Assembly decided that the Commission should consist of the representatives of the United States, France and Turkey.

#### KOREA

In the Political Committee a joint resolution was moved by the United States, Australia and China approving the Republican Government in Korea and recommending the occupying Powers in both the northern and southern zones to withdraw their forces as early as practicable. The resolution further suggested that a new United Nations Commission should supersede the temporary one set up in November 1947 to observe and consult in the creation of a free and independent State. This new Commission should lend its good offices to bring about the unification of both zones. The United States delegate called the United Nations to demonstrate its solidarity with the 'newly formed but already threatened' Republic in American occupied Southern Korea.

Believing as India did, that the division of the Korean people would be disastrous not only for the future of Korea but would jeopardize stability and peace in the Far East, she did not look with favour on any proposal which might have the effect of widening the present unfortunate cleavage between north and south Korea. The Indian formula, submitted to the Committee, suggested: (1) Independence for the whole country in the shortest possible time. (2) A united Korea without the American and Soviet zones. (3) The United Nations should not be a party to any arrangement which might weaken the prospects of independence of a United Korea. (4) The General Assembly should lend its fullest assistance to efforts to have conciliation between the two zones.

The representative of the South Korean Government, who was heard by the Committee, made a plea for his government to be recognized by the United Nations.

The General Assembly passed the resolution which advocated for a permanent Commission to replace the former temporary one with a mandate to work for the unification of Korea and encourage the withdrawal of Allied troops. Forty-eight countries voted in favour, the six Soviet countries against, and Sweden abstained.

The Soviet resolution, calling on the United Nations to abolish the Korean Commission, was defeated by a vote of 46 against, 6 in favour and no abstentions.

## REVIEWS AND NOTICES

### INTERNATIONAL AFFAIRS

FOR ALL MANKIND. By Leon Blum (New York, Viking Press)

THIS book was really published in the early months of 1945 while the author was still languishing in a Nazi prison, and was regarded as a prospective hostage by the captors. The manuscript had been smuggled out of prison and portions of it had appeared in the underground *Populaire* even as early as 1943. The book has therefore to be read against this whole background. As the famous French Marxist writer says in his preface to the book, 'Try to imagine Leon Blum in the solitude of his successive prisons, gathering together his memories, sorting them out, questioning them, putting his thoughts into ordered and written form at Bourrasol, revising and rounding them off in the snow-covered fortress of Powetalet.' The book is indeed worthy of the writer and the occasion. It is the political testament of a great idealist who has spent a lifetime in an unswerving struggle to translate those ideals into everyday life. It is addressed to all mankind for he wishes to share with all, his faith in his ideals, a faith that has contained a shine that none of the dark disasters he, his country, or the world suffered could dim even with the finest shadow. His object in writing this book is best stated in his own words '...there are young men, adolescents who are growing up away from home or whose fathers are away from home in some prison camp, and these are searching in vain among the ruins of the past for some certainty, for a rule of life; a faith; they are trying vainly to lift the curtain of the future in the hope that they may find behind it some consolatory glance, some guiding star. Do they not need someone to turn to them and offer help? Is it not the duty of men upon whom life has thrust its accumulated experience to try on their behalf to think honestly and to offer them an honest analysis of the first precepts of wisdom and the first principles of action, and to do so in no spirit of presumption as an elder, but in affectionate solicitude for their welfare. . . . No one knows better than I that my generation failed in its task. I do not propose to defend it, but rather try to point out to the rising generation, to those whom we shall pass on our burdens tomorrow—what can be learned from our mistakes, our illusions and our misfortunes—that lesson will be of more use to

others than to us.' He places the responsibility for the 1940 disaster on two factors: the bankruptcy of the bourgeoisie leadership and the failure of the proletariat to take over that leadership. What is true of France may be said to be true of almost all the countries. The bourgeoisie order is a collapsing order, for technological advancement led to breakdown of the old barriers which had kept each class securely within its own boundaries. The inter-mixing of classes, the growth of new opportunities to acquire wealth and power and the cyclic ups and downs of the capitalist machine, found the bourgeoisie weak and unfit for the changes and shocks.

The proletariat is, to Leon Blum's mind, still virile and robust and a fine instrument for the leadership. But its failure he attributes to the decline of the old order of idealism, a failure to change the human unit whilst trying to change society. As he emphasises, the persistence and consistency of what may be called a particular moral atmosphere are among the necessary conditions of intellectual progress.

He reiterates his faith in socialism: 'Socialism is in no sense of the word a religion, for it has neither dogma nor rites nor priests, but it does appeal to and satisfy this age in men. It teaches its own concepts of what is good and right, encourages the practice of conscientious scruple, and asks its followers to base their conduct on ideals that transcend the sphere of the individual, and are their own reward, and it can do so because the assent it receives comes near to the kind of religious faith to which the sacrifice of individual interest is normal and legitimate.'

K. C.

**THE UNITED NATIONS.** By Herbert Vere Evatt. (London, Oxford University Press, 9s 6d).

Dr. Evatt, Australia's Minister for External Affairs, in October 1947, delivered the Oliver Wendell Holmes lectures at Harvard University, with the so-called United Nations as his subject. He has proved himself a hardworking member of U.N.O., and in November 1948, he was prominently associated with Mr. Trygve Lie, the Secretary General, in a compromise proposal for the solution of the Berlin dispute between the four occupying Powers, a proposal which was not accepted. The lectures have now been published in book form and they provide a clear and brief history of the organization by one who has been intimately connected with it from its first beginnings at San Francisco in 1945.

Dr. Evatt is not blind to the failures and faults of UNO. The Security Council's lack of armed force, the abuse of the veto, the deadlocks arising from the exclusive claim of the Great Powers to decide the terms of the peace treaties—all these points and others are frankly discussed. Yet he remains an optimist concerning the future of the organization; and on no convincing grounds he seems to believe it possible for an embryo World Parliament and World Executive to discharge its task when its members are not chosen for that purpose at all, and are merely the mouthpieces of National Governments.

Dr. Evatt is himself Australia's Foreign Minister and Deputy Prime Minister. The fact that he is also an ardent peace lover and that, as he puts it, 'Great Powers are inevitably preoccupied with questions of prestige and spheres of influence, whereas lesser Powers are more detached in their outlook and are in a better position to make an unbiased judgment on the justice of any proposed settlement' hides from him the knowledge that foreign ministers of national governments should not be in UNO at all. To get a clear picture of the absolute impossibility of UNO becoming a satisfactory agency of any kind, let us suppose that the President of the United States, instead of being elected by all the people of the country for the express purpose of being its chief executive for four years, held office for a few weeks, was each of the fifty-two Governors of the fifty-two states in turn; and was not free to choose his colleagues from members of Congress elected for countrywide purposes but had to accept the nominees of the fifty-two Governors that might produce the bear garden UNO is today, till they unite in a federation, the nations can never truly unite at all.

If it were true, as Dr. Evatt writes, that 'the United Nations is the main and perhaps the only hope of the peoples of the world for the preservation of international peace' this would be very cold comfort. Fortunately, it is not true. The World Federal idea gains new adherents every day, and UNO's futility is its best propagandist. Dr. Evatt develops at some length an argument that because of the abuse of the veto in the Security Council, the General Assembly is assuming 'increasing responsibility in the field of international peace and security' and is inevitably tending to the exercise of 'full powers.' He instances the Assembly's resolution that members should withdraw their diplomatic representatives from Franco's Spain, its appointment of its own committee to watch the situation in Greece, and its creation of the "Little Assembly" as an interim body between sessions. Alas for the delusive power of words! These developments arose, as he says, because the Security Council proved powerless to do what it was supposed to do. All that they are proving is that the General Assembly is equally powerless. Several members refused to withdraw their Ambassadors from Madrid. The Committee sent to the Balkans has been insulted, defied, and turned into an instrument of strife by members of UN, and the fate of the Little Assembly is the same. Palestine, Korea and South Africa furnish other issues where defiance is open and unconcealed. The latest technique, which is obviously spreading amongst members formerly anxious to be loyal to the principles of the Charter, is to paralyse discussion by having no representative present when a dispute in which they are one of the two opposing parties comes up for debate.

The League of Nations languished through nearly twenty years. By all the signs, U. N. will fade out much sooner. Those who represent it as the one white hope of peace and try to make our flesh creep at the thought of its disappearance are not the builders of the future. UN is the obstacle interposed between a world hungry for permanent peace and the world federation which alone can ensure such a peace. Those who interpose it and say that the nations are not ready to subordinate conflicting national prides, greeds, and glories for

the common good disguise from themselves that what they really mean is that they personally are not ready.

ARTHUR MOORE

FRANCE A SHORT HISTORY. By A Guerard (London Allen 1947).

In about two-hundred and fifty pages, M.Guerard's 'FRANCE A SHORT HISTORY' narrates the entire story of the French people from prehistoric times to A.D. 1945. The survey moves rapidly and is ever surcharged with patriotic feeling. France is depicted almost as a lovable person in whose aspirations and endeavours, joys and sorrows, we may share. One feels, however, that M. Guerard has not always guarded himself against the obvious danger of being carried away by his fervour. Some of his statements would be meaningless to one who is sceptical about the existence of group-souls.

Political history is the primary, if not the exclusive, concern of the author. The main lines of French development in this sphere are clearly brought out, which, considering the length of the period covered and the small compass of the book, is, no doubt, admirable.

The book is ultimately the result of an effort to fight the pessimism about the future of France that has arisen in many circles after her recent collapse; standing 'midst the dust of a down-tumbled world' M.Guerard delves into the past of his country and manages to emerge with a message of hope for her. In the course of her long history, France has experienced numerous vicissitudes of fate. After every stroke of adversity, however, she has risen once again to win fresh laurels in her task of leading the advance of civilization in Europe. We may hope, therefore, that the present dark prospect before the French will soon turn into yet another Auroral flush. Such is the faith which M.Guerard's History, his 'testament' as he aptly calls it, embodies.

If, however, it is true that history repeats itself, paradoxically enough, it would appear to be at least equally true that history never repeats itself. More than one highly civilized nation has at last succumbed, never, apparently, to regain her former position. The past of France in itself supplies little assurance for her future. On the present debacle of France, it is, doubtless, too early to pronounce authoritatively; consequently, the problem of the future of France must be held, at present, to be historically indeterminate.

BANARSI PRASAD SALLME

LE CONTINENT AMERICAN ET LE DESEQUILIBRE MONDIAL  
1948 (Paris: Centre d' Etudes de Politique Etrangere, Price not mentioned)

This volume contains a symposium of ten articles by a number of experts on the possibilities of equilibrium in the balance of payment of Europe *vis-a-vis* American Continent. However, it may be said to the credit of the editors that faults of composite authorship, i.e. duplication and overlapping, have been successfully avoided.

Of the first two chapters, the first one presents the view of the United States on Marshall Aid, the other explains the conditions under which this

plan can accord with Recovery Programme as elaborated by 16—Nation Committee of European Economic Cooperation. In the next section are viewed the two main planks of economic policy of the United States i.e., national structure and international reconstruction. Three more chapters are devoted to commercial relations of Brazil, Argentina, and other South American countries, with western Europe during recent years.

Most of us are wont to disagree with its main thesis that western European reconstruction alone ought to be a prelude to a reconstruction of global commerce and an essential factor in restoration of equilibrium in international trade. Will it be a dynamic equilibrium? We should not forget that expansion of production is only one aspect of European reconstruction, the other being the expansion of markets. The colonial areas and other relatively undeveloped parts of the world are a near-future market with a potential of a very high propensity to consume. In other words a 'Marshall Plan' for South-East Asia with its teeming millions is no less urgent.

GIRJA KUMAR

#### OTHER BOOKS

CONGRESS MISSION TO MALAYA. By Dr. C.Siva Ram Sastry, Tenali (Published by the author, 1947, Rs. 2.)

As a result of Japanese occupation, the people of Malaya suffered terribly. The Indian settlers in that country appealed to the National Congress for medical and other forms of relief. The Congress took this as an appeal from suffering humanity and the Medical Mission was sent to Malaya in 1946. The author was one of the officers attached to the Mission. He gives in this book a detailed account of their work in Malaya, as well as the conditions of the country during their stay.

LAND REFORMS. By D.V. Rama Rao (Baroda: Padmaja Publications, 1948, As. 12)

This is a discussion of land problems in India with special reference to Zemindars and the distribution of property. When reforms are made, their effects on vested interests, the need for subsidiary occupation for those who are deprived of lands and the measures that must be adopted to bring prosperity must be taken into account.

ECONOMIC EFFECTS OF IRRIGATION. By D. R. Gadgil (Poona; Gokhale Institute of Politics and Economics, 1948, Rs. 8.)

This is a report of a survey of the direct and indirect benefits of the Godavari and Pravara Canals undertaken by the Institute for the Government of Bombay and concluded during 1939 and 1940.

THE UNITED STATES OF AMERICA—THE MAKING OF ITS CONSTITUTION. By M.Ramaswami (Bangalore, The Indian Institute of Culture, 1948, Re. 1.)



This is a report of a lecture given at the Institute reviewing the book, *The Great Rehearsal* by Carl Van Doren.

**HOW TO CONQUER POVERTY AND FAMINE IN INDIA BY AMERICAN METHODS.** By Ram Nath Puri (Baroda: Padmaja Publications, 1947, Rs. 1-8.)

The people of India must either produce more or perish in the near future. The author had stayed in the United States of America for the last 40 years and from his experience as a fruit grower in that country he feels that if American methods are applied in India, the problem of poverty can be solved to a very great extent in this country. How they can be applied is stated in his book. There are also a few advertisements of agricultural machines of some American firms.

**INFLATION AND THE ECONOMIC CRISIS IN INDIA TODAY.** By T. V. Ramanujam (Madras: S. Viswanathan, 14 Siganna Naik Street G. T., 1948, Annas 12).

As the author has stated in the preface: 'nothing new has been said' in this book. What has been attempted is a 'clear presentation of the problem that faces the country and of the solutions that have been suggested.' And in this the author has no doubt succeeded.

1. **AIMS & ACTIVITIES OF THE GOKHALE INSTITUTE OF PUBLIC AFFAIRS** (published by the Institute, Basavangudi, Bangalore)
2. **THE SOCIAL SURVEY OF KOLHAPUR CITY PART-POPULATION AND FERTILITY.** By N. V. Sovani (Poona: Gokhale Institute of Politics and Economics, 1948, Rs. 4)
3. **JUVENILE DELINQUENCY AND DESTITUTION IN POONA** By Mrs. Gothas P. N. Ruttonsha. (Poona: Deccan College, Postgraduate and Research Institute, 1948, Rs. 8.)
4. **AN OUTLINE OF INDIAN ART.** By Rajeswara Rao, Advocate, (Ellora, Andra, published by the author, Rs. 1-8.)
5. **THE FAR ASCENT.** By V.N. Bhushan. (Bombay: Padma Publications Ltd., Sir Phirozeshah Mehta Road, Fort.)

K. P. KARUNAKARAN

**THE DIARIES OF FRANZ KAFKA.** Vol. I (1910-1913). ed. Max Brod. 345 pp. Secker & Warburg, London. 1948. Rs. 16.

**Franz Kafka. An interpretation of his works.** By Herbert Tauber. xv+252 pp. Secker & Warburg, London. 1948. Rs. 18.

Like Bergson, Kafka is one of the enemies of the intellect and, in his distrust of knowledge and reasoning, his emphasis on inner truth as the decisive thing in life, an agent in the weakening of that aspect of Western European civilization which is based on humanism and in its partial acceptance of seemingly more primary values, varying from the 'blood and earth' school upwards.

. The two books under review result from the fashionable influence which Kafka's work enjoys, but perhaps do not greatly help to explain the permanent worth of a group of three novels, all unfinished, some short stories and aphorisms. Admittedly, this volume of the Diaries runs only to 1913 when his mature work was still unwritten, conscious though he was of his powers. 'The tremendous world I have in my head. But how free myself and free it without being torn to pieces. And a thousand times rather be torn to pieces than to retain it in me or bury it. That, indeed, is why I am here, that is quite clear to me. "There are signs of a neurotic ability to swell small experiences into things of importance, of an almost pedantic precision of observation which eventually leads to the disintegration of his characters into bundles of habits, of his care in working over his themes and of the way in which his writing represented a reaction from and a victory over the enveloping, inscrutable world of his dominant father and of his routine job, which he took with frightening and frightened seriousness.

This volume, then, does not provide more than the first hints of an explanation of Kafka's work and influence. It can be said that his method of symbolism and dream-recording, made possible by the development of psycho-analysis, was the only one possible to an introvert who might have said of the world, as he did of his first fiancée, 'I alienate myself from her a little by inspecting her so closely' When he writes 'The great commotion hurts him, for he is really an obstruction to traffic, but the emptiness is no less sad, for it unshackles his real pain', there may be found the reason why his novels were unfinished. But these are not the keys to Kafka's symbolism.

Herr Tauber attempts to create a coherent theory, based on a mystical approach, with which to analyse Kafka's dream-recording. The effort to regard Kafka as a mystic of any creed, to consider his work as a plea for the acknowledgment of human guilt as a prelude to the reception of divine grace, is stultified by Herr Tauber's own conclusion that Kafka's work gives the impression that he had not penetrated into his real matter. It is in this judgment, in the emphasis he lays on Kafka's favourable estimate of weakness as a pre-requisite for a demand after a higher sphere, on his certainty of the impossibility of self-vindication, rather than in the ponderous torture of the symbols to fit a single-minded philosophy, that the moderate value of Herr Tauber's book consists.

If it seems unprofitable to study Kafka in the much stronger light of Kierkegaard, the second volume of the Diaries, of the more productive years, may give us clearer insight. Kafka himself says 'The concentration of portraying my dreamlike inner life has thrust everything else into a secondary position', but even for him

Wir sind nicht einig. Sind nicht wie die Zugvögel verstandigt. Überholt und spät so drängen wir uns plötzlich Winden auf und fallen ein auf teilnahmslosen Teich. Blühen und verdorren ist uns zugleich bewusst.

and to each reader the interpretation may well have to remain his own.

FEDERAL PROTECTION OF CIVIL LIBERTIES<sup>1</sup>.

The cornerstone of the American heritage is the importance of the individual in the scheme of national life. Throughout its history, America has respected the integrity and freedom of the individual personality and has taken great care to see that its political institutions are so designed as to allow the largest amount of freedom consistent with the needs of social order for the individual to make the best use of his mental and spiritual endowments. It is this basic concept that was responsible for the writing of the American Bill of Rights into the Constitution in 1791 in the form of the first ten amendments. After the Civil War, the thirteenth amendment forbidding slavery or involuntary servitude except as a punishment for a proved crime and the fourteenth amendment preventing any state from depriving a person of his life, liberty or property without due process of law or from denying to him the equal protection of the laws were incorporated into the Constitution. These provisions, with the powerful support vouchsafed by the United States Supreme Court, have been largely responsible for building up a high tradition of liberty in the United States of America.

Professor Carr in the volume under notice has given us an interesting and scholarly study of the work, achievements, and future rôle of the "Civil Liberties Unit" which was newly-established by Attorney-General Murphy as an integral part of the United States Department of Justice on 3 February 1939. The story of the foundation and work of 'this unique and little-known agency' recounted in the pages of this book is a welcome revelation of the fruitfulness and importance of active governmental aid in maintaining a high standard of civil liberties in the country as an essential requisite for the proper and efficient functioning of a democratic régime.

Those who framed the American constitutional guarantees for the safeguard of the basic rights of the individual were largely influenced by the consideration that the greatest enemies of liberty were governments accustomed to wield absolute power. That is the reason why we find in the American Constitution that most of the guarantees for individual liberty are in the form of guarantees against abuse of power either by the Federal Government itself or by a State Government. They are mostly shields to be availed of against arbitrary encroachments on individual freedom made by governmental agencies. But threats to freedom may emanate not only from governmental authorities but also from individuals or groups. The viewpoint of Attorney-General Murphy that Governments have a valuable part to play as friends of civil liberty instead of being merely its potential foes was a fresh and valuable approach to this vital problem of safeguarding the basic freedoms of the individual. In making public his order establishing a Civil Rights Section, Attorney-General Murphy (now Mr. Justice Murphy of the United States Supreme Court) observed as follows:

In a democracy, an important function of the law enforcement branch of

<sup>1</sup> Robert K. Carr: *Federal Protection of Civil Rights: Quest for a Sword*: Cornell University Press, Ithaca, New York, 1947, pp. X, 48, Price \$ 3.00.

government is the aggressive protection of fundamental rights inherent in a free people. In America these guarantees are contained in express provisions of the Constitution and in acts of Congress. It is the purpose of the Department of Justice to pursue a programme of vigilant action in the prosecution of infringement of these rights.

It was apparent to Attorney-General Murphy that the authority of the Federal Government to play a positive rôle in the domain of civil liberties was limited in character because of the nature of most of the constitutional guarantees which were in the form of limitations on the powers of government. He very properly directed an intensive study to be made by the Civil Rights Section of the provisions of the Constitution and of Acts of Congress, in order to ascertain what tools were available for the new agency for the performance of its functions. This quest for a weapon to wage an aggressive war by the Federal Government for the maintenance of civil liberties has furnished the sub-title to Professor Carr's book, namely, 'Quest for a Sword'. Professor Carr himself tells us that this picturesque phrase was suggested to him by a figure of speech employed by Mr. Justice Jackson in his opinion for the Supreme Court in *Pollock v Williams* (1944) 322 U.S.4, where he stated that the individual in America is protected against—slavery and involuntary servitude by 'both a shield and a sword.'

Professor Carr has in the earlier chapters of his book given us an instructive account of the initial phase of the work of this agency in clarifying the constitutional and statutory position in the attempt to discover the nature of the tools which were at its disposal to carry on its positive work of safeguarding constitutional rights through law enforcement processes. This investigation disclosed the fact that the tools available were few and even these were not quite effective. Notwithstanding these shortcomings, the new agency has been able to do very good work indeed. And Professor Carr has given us a valuable account of the pattern of cases handled by the Civil Rights Section classified under the following headings: (1) police brutality and the closely related problem of lynching; (2) election irregularities; (3) peonage and involuntary servitude; (4) interference with freedom of speech and press; (5) conflict between labour and management and (6) interference with the rights of ingress and egress.

The work accomplished by the Civil Liberties Section though understaffed and inadequately equipped with legal powers has been so significant and valuable that the Committee appointed by President Truman in December 1946 to survey the problem of Civil Rights in the course of its report has not only recommended the conversion of this Section into a full-fledged Division of the Department of Justice but also suggested its equipment with additional weapons to perform its job more effectively. Now that President Truman has been re-elected to Office and also commands a majority in both Houses of Congress, it is reasonable to hope that the recommendations of the Civil Rights Committee will be implemented both in the legislative and administrative spheres early. I may add that Professor Carr, the author of this book, was himself the Secretary of this Committee appointed by President Truman.

Professor Carr recognizes the limitations of the punitive process employed by a governmental agency in fostering civil liberties in a country. He very wisely suggests that 'much can be done to improve our liberties, apart from the slow betterment of our social order, by a campaign of education that seeks to show every man that the best way to make his own rights secure is by respecting his neighbour's rights.'

Professor Carr has earned our gratitude by having given us a thoughtful and interesting book on so important a subject as the Federal Protection of Civil Rights.

M. RAMASWAMY

**INDIAN POLITICAL PARTIES.** By Dr. N. V. Rajkumar (All-India Congress Committee, New Delhi. pp. 139. Price Rs. 2-8-0)

This short book is in two parts, the first a rapid survey of party structure and party organization in Europe and the United States, and the second, an account of parties in India. The author himself says that the first part is 'very sketchy' and it is doubtful if the background which it provides is useful or necessary to the lay reader to whom the rest of the book is addressed. Dr. Rajkumar distinguishes between politico-economic parties and communal parties in India and puts in the second group all the parties which are clearly communal in name and purpose. He is fair and objective in his treatment of every party. Naturally the Indian National Congress receives most space; it is the oldest party and it has survived. The others have a long way to go and many of them do not seem to be on the right road. Because we have had political parties before political education, each party is obliged to appeal to certain elements of ignorance or prejudice in order to gain popular support while it blames its rivals for doing likewise. This accounts perhaps for the listless apathy punctuated by occasional frenzy which characterizes party history in India. Conditions are changing and a book like this can help to change them for the better. There is foundation for hope when an official of the All-India Congress Committee can write: 'The Indian parties have never been of the masses though they have attempted to lead the masses. Except when the masses were used against the foreigner they had no political significance in the eyes of the parties. This was so even in the case of the Congress although it could not help it'. Dr. Rajkumar points out in the last chapter that so far there has not been in our country a party that can be called a political party 'by any test of Political Science'. The parties that can work parliamentary democracy in India are yet to be and none of the current 'parties' including the Indian National Congress will find it easy to transform itself for the future needs of Free India.

R. BHASKARAN

**ON GOVERNING COLONIES.** By W. R. Crocker (London, Allen.)

The author's survey of some of the African Colonies is based on about eight years' experience of Africa and Africans partly as an officer in the British Colonial Service and partly as a soldier. It is, therefore, but natural for the account

to be both personal as well as practical. Mr. Crocker himself observes: 'Official papers, notably official declarations of policy, are not seldom designed to cover up a lack of policy. Or, on the other hand, the gap between paper policy and the practice in the bush is often wide. My aim will be to speak of things as I have seen them myself.' The author does not mince matters when he mentions the deplorable state of affairs in the Gloomy Continent. He says: 'Disease is more prevalent in Africa than in any part of the world. Malaria is universal.' It is in reality a home of innumerable diseases. It is an 'Empire of Insects'. Coupled with this is the state of poverty, infertile land and malnutrition of the people. The author's description of the characteristics of the African people shows the bias of a European towards the natives. 'They chatter or just fall asleep like a dog.' The author is particularly harsh towards the Senegal Jolloffs—'the notoriously cunning lawyers, thieves and blackmailers.' In the Curzonian style, Mr. Crocker casts aspersions on the character of the Africans. Trickery is their tradition. The educated African, particularly the lawyer, is the target of special attack. He is known for 'the cunning thievery, the pitiless exploitation, the complicated treachery.' He generally needs commanding.

The author is not prejudiced in his narration of facts. He duly acknowledges the useful work done by the Autonomous Sleeping Sickness Service in French West Africa. 'The foreign observer is left with an impression of high professional standards and an indifference to money-making on the part of the personnel in the French Medical Service.' On the other hand, the British hospitals 'touch the merest fraction of the population. The impression left by the medical system built up in the British Colonies is one of inexcusable inadequacy.' Mr. Crocker, however, does not conceal his hostility towards Indians. They show 'little social conscience, are in parts of East Africa as big a problem as erosion.' His greatest vehemence is directed towards the Christian Missions. They control in some colonies almost all the educational institutions. 'The exploitation of material needs like schools or hospitals, which ought to be provided by Government, as a weapon in proselytization, is indefensible, above all when it is helped on by government grants. Moreover there is constant friction, rivalry and jealousy among different missions and the result is confusion.

A greater part of the book is devoted to a comparative study of the British, French and Belgian colonial policies. The description is simple, clear and factual. But the unnecessary repetition of self-government as the aim of British colonial policy is not appealing. We already know the interest of the British people in the development of representative institutions but we never definitely know when a particular colony will become fully self-governing. So many excuses are given for delaying it such as minorities problem, lack of political organization, social instability etc. The author's comments on Indirect Rule deserve serious consideration. Mr. Crocker's sense of fairness is best evident when he discusses Law and Justice in the colonies. The British system of imparting justice is open to various abuses. Justice is less just, 'Law and Justice cease to be synonymous.' English prisons and English

justice only encourage crime. The procedure is faulty and expensive and promotes litigation. He thus sums up his impressions: 'African native justice had its defects but it made sense. British lawyer—justice too often makes nonsense.' At some places the author has over-drawn the picture especially when he talks of the 'vulgarity and triviality of the popular press in England and the U. S.' In the end, Mr. Crocker suggests some reforms in the Colonial Civil Service and administration to be carried out largely on the recommendations of a strong Royal Parliamentary Commission.

SUSHIL CHANDRA SINGH

## ARTICLES ON INDIA IN FOREIGN PERIODICALS

### *Political*

**THE BRITISH INDIAN ARMY: THE LAST PHASE.** By Field Marshall Sir Claude Auchinleck, *The Asiatic Review*, October 1948.

Here is given an account of the growth and development of the Indian Army with special emphasis on the part played by them in Britain's wars of consolidating and defending the empire and the wars of survival. The last phase is concerned with the partition of the army and its effects.

**PARTITION AND INDIANS OVERSEAS.** By G.S. Bozman. *The Asiatic Review*, October 1948.

The author gives the reasons for the past emigration abroad and the diverse problems resulting from it. The partition of the country and the exchange of population, whose relatives these overseas Indians are, have brought new problems which demand close co-operation between the two Dominions for satisfactory solution.

**PANDITJI.** By H.N. Brailsford. *The New Statesman and Nation*, 16 October 1948.

A pen portrait of India's Prime Minister who is a socialist, but leads a Ministry which reflects all the strands that go to make up the Indian nation from Big Business to the Untouchables.

**THE CASE OF HYDERABAD.** By an observer. *The Fortnightly* October 1948.

The observations of this author are all unfavourable to India. He develops the theme that, in spite of the faithful loyalty of the Nizam to the British Government during the war and on other occasions, the promises and the assurances of His Majesty's Government were not honoured in regard to Hyderabad and even the United Nations proved unreliable. He implies that the Ceded Districts and Berar must be returned to the Nizam. Another point he puts forward is that Hindus and Moslems might have lived peacefully together in the State, but for the fear of the Moslems that acceding to India would bring very bad future for them. According to him the *Razakars*

who were characterized as gangsters by India's Prime Minister, is only a volunteer national defence force which contained many Hindus.

**MAHATMA GANDHI, THE SON OF HIS MOTHER.** By Sebastian de Grazia, *The Political Quarterly*, October-December 1948.

Mahatma Gandhi 'was the son of two mothers, his own and Mother India'. Gandhi had more than once stated that he was advocating non-violence not for the weak alone, but for the strong also. To him non-violence was not a policy, but a principle. But the author sees in his acceptance of this principle his return to an early way of life, one of motherly sacrifice and forbearance; and he attributes this return to the blows of fate he received. The masses of India were technologically powerless and never a militant force. 'By not asking of them an aggression which they could no more supply than he could, and by winning their veneration for asceticism, he roused them from lethargy into an entity and then into a political power.'

**JAWAHARLAL NEHRU.** By N. D. Harper, *The Australian Outlook*, September 1948.

The author misses no important aspect of Pandit Nehru's crowded life. When Nehru was fighting for independence, he was not merely an individual, but a 'symbol of Indian nationalism resolved to break away from the British Empire'. To this legal heir of Gandhi, Satyagraha was 'dynamic not passive, it is not non-resistance, but resistance to wrong doing', although that resistance was peaceful. 'Democracy, unity, independence, but independence as a prelude to socialism'; these epitomised Nehru's programme as President of Congress and as opposition leader. He ridiculed Pakistan as a 'student's scheme'. But his argument was tremendously weakened by the emergence of a powerful Moslem nationalism and he explicitly recognized the Moslem League theory by the acceptance of the partition of the country in 1947. Pandit Nehru envisaged the Indian struggle for independence and social reform against a background of world conflict. In India's active support for colonial peoples and in the Asian Relations Conference the author sees indications of Nehru's attempts to establish an Asian bloc under Indian leadership!

**INDIA: REPUBLIC OR DOMINION.** By Mulk Raj Anand, *World Review*, October 1948.

India was acknowledged as a nation when the nation state had already become obsolete as a concept implying a liberal, *laissez faire* bourgeois polity. Naturally, there is a violent confusion between the urges for the achievement of national sovereignty and the urges for the surrender of sovereignty to a world organization. However, the latter impulse is confined to the intelligentsia. India is experiencing a Reformation, a Renaissance and a Revolution in one short decade. Europe went through them only by stages. So it cannot be said at present whether India will remain in the Commonwealth or not. The leaders of India feel that a break from the Commonwealth is too pre-



mature. The country cannot at present build an adequate Navy, Air Force and the Army taking account of the strategy of South East Asia and the Indian Ocean. The strained relations with Pakistan and South Africa point to the same directions. A convenient formula and a neat phrase are to be invented to compromise with Indian radical and republican sentiments.

**LORD MOUNTBATTEN ON HIS VICEROYALTY.** *The Asiatic Review*, October 1948.

Lord Mountbatten, the last Viceroy and the first constitutional head of India, has many interesting things to say while giving a survey of his period of Viceroyalty in India.

**INDIA AND PAKISTAN-THE FIRST YEAR.** By V.S. Swaminathan, *The Contemporary Review*, October 1948.

A brief account of the first year of independence in India and Pakistan.

**THE ISSUES IN KASHMIR,** By Alice Thorner, *Far Eastern Survey*, 11 August, 1948.

An impartial and detailed account of events leading and subsequent to the Indo-Pakistan conflict in Kashmir. 'One year ago Kashmir's future was handed over to the irresponsible decision of an autocratic and unpopular ruler. Had the people of Kashmir been able at that time to decide by popular choice the destiny with either India or Pakistan, it is highly unlikely that Kashmir would be today a battle ground for the two Dominions.'

**INDIA.** *The Round Table*, September 1948.

An account of the most important events in the first year of freedom in India. The author says that Congress Party chiefs are for an early election under the new Constitution, because they feel that the freedom which they achieved for the country is a wasting electioneering asset. He quotes with approval the opinion of the *Eastern Economist* that India's 'policy must continue to be on the basis that politically Great Britain's friendship is worth having, and that economically the prosperity of this part of the world is bound up with that of the sterling area'.

**THE MAHARAJAS OF INDIA.** By William Fisher, *United Nations World*.

An interesting description of 'the often extravagant' and 'the more often very extravagant' princes of India who 'are a curious sociological excrescence on the body of India, before the bloodless revolution has begun to modernize the country'. Many scandals, that emerged from one or other of the Indian States in every few months, are also not left out.

#### *Economic*

**REHABILITATION OF DISPLACED PERSONS IN INDIA.** *International Labour Review*, August 1948.

The enforced migration of over eight million persons was the most urgent problem confronting the Dominion of India after 15 August 1947. Though

ill-prepared to cope with a crisis of such magnitude, the Government rapidly organized and developed effective means for the evacuation, relief and rehabilitation of the refugees. The measures adopted by the Government are described in the article.

INDIA'S T.V.A. By V. S. Swaminathan. *The Fortnightly*, September, 1948.

India's T.V.A is the Damodar Valley Corporation (V.C.) The D.V.C. marks the first step in the promotion of a project with immense potentialities for the economic betterment of millions of people. The article is an account of the pioneer venture which is of great significance to this country of many other major river basins awaiting similar treatment.



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THE INDIAN COUNCIL OF WORLD AFFAIRS is an unofficial and non-political body, founded in 1943 to encourage and facilitate the scientific study of Indian and International questions. The Council, as such, is precluded by its rules from expressing an opinion on any aspect of Indian or International Affairs. Any opinions expressed in the articles printed in this Journal are, therefore, the opinions of the authors and not those of the Council.

## I

The motives for the regional pattern of international organization can be varied. Not only are many people disappointed at the attempts to achieve international order on a world scale and are thinking in terms of regionalism as a consolation, but some are wondering if the hitherto accepted method of proceeding from a world to a regional organization should not be reversed. Taking to regionalism as a consolation is hardly better than drift, but proceeding from regional to world order does have some meaning in terms of social evolution. It is a projection to the international sphere of what is now being recommended by social scientists in the national sphere—of a series of small-scale organizational efforts, integrated in due course into a large-scale result. In the foreseeable future, however, regionalism must remain much less conscious of its purpose than that. Among the dominant motives of present-day regionalism are security and power politics. There are two aspects to the motive of security: (1) to guard a region from political and politico-economic encroachments from parts outside the region whose power of penetration is feared, and (2), which is attributable more positively to fear, is the desire to keep a region free from the haunter of general war, and, should large-scale hostilities break out, to keep the region out of belligerency, either for the entire period of the conflict or for as long as circumstances allow. Often, regionalism can be a counterfeit title to power politics in terms of the old system of rival alliances, and to cover up especially the domination of a group of nations by a powerful one among them. Sometimes regional organizations may be divorced from political and security functions; they may, in fact, be associations at economic and social levels, with the motive of circumventing political differences that seem perennially to bar every variety of collaboration. But what regionalism *ought to* embody seems well recognized, and in the immediate future it should embody both a defensive and an offensive association, voluntarily placing itself at the disposal of a world organization to help the latter in the task of promoting and maintaining global peace. In the measurable future it should embody regional government by which member States surrender sovereignty to a regional authority, as a prelude to world government. In a very general way, the world's present and proposed regional organizations include a little of all motives.

## II

Regionalism finds provision in the U.N. Charter. This provision has not so far commanded as much scrutiny of its possibilities as it should, obviously because the Security Council as the Charter's chief instrument for the maintenance of peace, has been the centre of all attention. But if it is granted that for peace we might have to travel from the circumference to the centre Chapter VIII of the Charter might well become the provision of key importance. The regional arrangement clauses of the Charter betray at once the limitations as well as the elastic scope of what is envisaged. In some respects the clauses are not without mutual contradictions. These are brought out in summary form in the *Rapporteur's Report of Commission III to the Plenary*

*Session of the U. N. Conference on International Organization:* 'To support the activities of the central organization, special authorization has been given for the existence of regional security arrangements, or agencies, to deal with all security problems which are appropriate for regional action. It is specified, however, that all such activities must be consistent with the purposes and principles of the U.N. Charter. The general principle is that members should make every effort to settle local disputes by regional agencies, before referring them to the Security Council, and the latter should encourage the use of these regional agencies by the parties.... This arrangement is one which aims at making the fullest possible use of existing and prospective regional organizations, but at the same time it is designed to ensure the fullest harmony between these organizations and the Security Council. It is hoped that this plan may go far towards solving *the traditional conflict between the requirements of an indivisible peace and the fact that States have traditionally been willing to accept extensive security responsibilities primarily in areas of particular national concern*.<sup>1</sup>

The three points of this enunciation would appear to be, first, the supremacy of the Security Council—the regional organizations only supporting and not supplanting its activities; secondly, that even so the Security Council would prefer to be a body of second appeal—disputant nations taking their case for first appeal to the regional organisation; and, thirdly, that the regional thing may be either 'arrangements' or 'agencies'.

What are regional arrangements? At the San Francisco Conference, the Egyptian delegation sought, but failed, to introduce the following definition of regional arrangements into the Charter: 'There shall be considered as regional arrangements organizations of a permanent nature, grouping in a given geographical area several countries which by reason of their proximity, community of interests or cultural, linguistic, historical or spiritual affinities, make themselves jointly responsible for the peaceful settlement of any disputes which may arise between them and for the maintenance of peace and security in their region, as well as for the safeguarding of their interests and the development of their economic and cultural relations'.

The reluctance of the conference to accept this definition was due mainly to keep the door open to mutual assistance treaties and not to commit itself only to permanent organizations. Treaties can, of course, be signed by States not geographically proximate and on an *ad hoc* basis. The organization of American States and the Arab League would come within the Egyptian definition, but not, say, the Brussels Treaty, or the North Atlantic Pact. Broadly speaking, for the preservation of regional peace in modern times, Europe has in general relied upon the treaty system, while the Western Hemisphere has relied on inter-governmental organization of a permanent nature. Grown and constituted as they have been through history, European States are far less amenable to organization and far more to bilateral diplomacy than the American States. Woodrow Wilson was a prominent critic of the treaty

<sup>1</sup> *The United Nations Conference on International Organization, Selected Documents*, U. S. Government Printing Office, Washington, 1946. pp. 833-834.

system of international relations. Indeed it should not be a surprise if Europe were still surviving on balance of power principle long after the Western Hemisphere and even Asia achieved concert. Between these divergent trends of current polity, the rejection of the Egyptian proposal was therefore understandable. What was actually retained, namely, 'regional agencies or arrangements', has left the position of the place of these in the U.N. peace system inconclusive. This is apparent in Section 2 of Article 52 and, more especially, in Article 51 (on the right of individual or collective self-defence). The members of the U.N. 'entering into' regional arrangements or 'constituting' regional agencies are to make every effort to achieve pacific settlement only of 'local disputes'. This compromise effort to fit regionalism into the general system in effect favours agencies rather than arrangements. It gives priority to regional organizations only so far as local disputes are concerned, and these are 'to be interpreted as referring to disputes which exclusively involve States which are parties to such regional arrangements'.<sup>1</sup> Where a large number of States have formed a regional organization, as in the case of the American States, it is conceivable that two member disputants will usefully refer the dispute to the organization. But in the case of treaties of mutual assistance, which generally cover a smaller number of States, attempts to settle a local dispute through the regional arrangement might mean little more than invoking military aid for actual hostilities.

The genesis of Article 51 has a direct bearing on the inter-American system, and was openly designed to harmonize the obligations of the American States under the Act of Chapultepec. The Dumbarton Oaks proposals had made provision for the utilization of a regional arrangement for enforcement action by the Security Council on the latter's authorization, but the requirement of Big Power unanimity for this was laid down by the Yalta Agreement. Provided therefore that it is not a party to a dispute in question, it is now possible for any permanent member of the Security Council to veto the taking of action under regional arrangements. Western Hemispheric sentiment could not look upon this with equanimity, because that sentiment was in favour of autonomy in the enforcement of peace through regional arrangements. By their own experience, of course, the American States, with one of the Big Powers as the dominating member, were justified in feeling capable of maintaining peace by action independently of the Security Council. In fact, their anxiety was not how the Security Council would usefully utilize a regional system for enforcing peace, but how to prevent the thwarting of a regional peace system by States outside it. At San Francisco opinions were expressed in favour both of full autonomy in all essentials for regional systems without control by a world organization and of making authorization of regional action by the Security Council possible without insistence on Big Power unanimity. Article 51 is said to be a compromise in that it opens the door for independent action by members under a regional system. It recognizes 'the inherent right of

<sup>1</sup> Leland M. Goodrich and Edward Hambro, *Charter of the United Nations, Commentary and Documents*, 1946. p. 185.

individual or collective self-defence if an armed attack occurs against a member of the U.N., until the Security Council has taken the measures necessary to maintain international peace and security'. These measures shall, of course, be reported to the Security Council, and it is commonly understood that 'the Security Council will take measures which in due course supersede those taken in collective self-defence'.<sup>1</sup> But what will happen if that body fails to step in and take over owing to veto by a Big Power which may be interested in preventing action against the State which is the party whose armed attack is being resisted by the regional system? The view has been expressed that Article 51 safeguards the right of collective self-defence for members of the U.N. in case of an armed attack even if the Security Council fails to take the measures necessary to restore or to maintain peace.

We should not, however, overlook the dangers of stretching regional autonomy, irrespective of whether such autonomy is exercised under a treaty system or an organizational system of international relations. The danger under the former is too apparent. Even though subsequent developments have made the point of no practical importance, France did have her treaty of mutual assistance with the Soviet Union in mind at the time of the discussions of regional provisions at San Francisco. That European treaties were directed in general against the recrudescence of German aggression, and, as it has turned out four years after the Charter was drawn up, against the possibility of Soviet aggression (or, conversely, directed by the Soviets against aggression from the West) should only underline the danger of recognizing treaties as adequate ground for granting freedom of regional action. Even in the case of regional organizations of a permanent nature, if it is a fact that under Chapter VIII of the Charter, 'greater freedom is given to States to take action under limited arrangements without strict control by the Security Council,'<sup>2</sup> it may rightly be asked whether the obligation of members to the central organization is not supreme and overriding. Can there be degrees in such obligations? Is not an element of duality introduced in to the loyalty of member States, which, in practice, might be to the advantage of the regional system and to the detriment of the central organization? Article 102 of the Charter of the Organization of American States says, for example, that 'none of the provisions of this Charter shall be construed as impairing the rights and obligations of the member States under the Charter of the U.N'. But between the right of collective self-defence and the obligation to submit to the principle of Big Power unanimity, there is hardly any doubt that regional systems will, provided their members are agreed, insist on the former in case of conflict between the two. A group of member States might be free to take certain actions in so-called collective self-defence under the treaty or organizational arrangements it may have made, but whether the membership of the central organization does not in itself debar it from continuing to take such action without the latter's concurrence is the point. The answer to this

<sup>1</sup> Ibid. p. 179.

<sup>2</sup> Ibid. p. 38.



depends less on the merits of regionalism and more on the ethics of the veto. The instrument governing collective action in case of extra-continental armed attack in the inter-American system is the Rio de Janeiro Treaty of Mutual Assistance of 1947, which has subsequently been integrated with the Charter of the Organization of American States. That the regional systems have tended to underline their right of collective self-defence under the U.N. Charter, rather than their obligations to the Charter—governed as they are by the hard fact of Big Power unanimity—is evident by the operative part of this treaty, as well as by that of the Brussels Treaty of Mutual Guarantee. The Rio de Janeiro Treaty declares that ‘an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack *in the exercise of the inherent right of individual or collective self-defence recognized by Article 51 of the Charter of the U. N.*’ And the Brussels Treaty declares that ‘if any of the high contracting parties should be the object of an armed attack in Europe, the other high contracting parties will, *in accordance with the provisions of Article 51 of the Charter of the U.N.*, afford the party so attacked all military and other aid and assistance in their power.’ The Rio Treaty, however, does not commit the signatories automatically to go to war. Sanctions against an aggressor can be authorized only by a two-thirds vote of the signatories, and even after such authorization action which the members will take is left to each nation. So, if sanctions were imposed by such decision and action actually taken by all, it will be such a carefully considered regional enforcement that the Security Council cannot effectively stop it by an adverse vote when the enforcement action is reported by the regional system to the Security Council. The chances of the Council being able to reverse decisions of armed action taken under ‘arrangements,’ like the Brussels Treaty, are even less. Even though attempts to define ‘aggression’ in international relations continue to baffle, it might all be desirable that no Big Power should be allowed to hold up regional action started in self-defence. But, in the Charter, as it stands, it is plain that the hope expressed in the Rapporteur’s Report quoted above—to the effect that the provisions on regionalism make for the fullest harmony between the regional organizations and the Security Council—is false. Nevertheless, even with Big Power unanimity made inapplicable to ratification of action taken under regional systems, the dangers inherent in recognizing ‘arrangements’ for such action are more than in recognizing ‘agencies’ for the purpose.

### III

The Charter of the Organization of American States was signed in April 1948, at the 9th International Conference of American States held at Bogota in Colombia. It has been said that the charter consolidates the achievements of half a century of purposeful inter-American co-operation.<sup>1</sup> It begins with

<sup>1</sup> William Sanders, “Bogota Conference” *International Civilization*, No. 442, June 1948, p. 385. This publication gives the full text of the Charter in addition to reviewing the work of the Conference.

a preamble which claims that it is America's 'historic mission' to offer to man a land of liberty and a favourable environment for the realization of his just aspirations. It further declares that the true significance of American solidarity is the consolidation of a system of individual liberty and social justice within the framework of democratic institutions. These two sentiments of the preamble are reinforced by two clauses under 'Principles' (Article 5) which say that fundamental rights of individuals are proclaimed without distinction as to *race, nationality*, creed or sex, and that the bases of lasting peace are social justice and social security. That the organization is intended to work within the framework of the United Nations is stressed in two Articles (Numbers 1 and 4) under 'Nature and Purposes', which declare, respectively, that 'within the United Nations, the Organization of American States is a regional agency' and that its purposes have in view the fulfilling of regional obligations under the U.N. Charter. While in Article 6, the organization recognizes the sovereign equality of its members, Article 3 allows for new political entities emerging from unions of present member States. Such unions can come about, of course, only by voluntary association, for, as a principle, 'American States condemn war of aggression: Victory does not give rights'. Furthermore, by Article 17, 'no territorial acquisitions, or special advantages, obtained either by force or by other means of coercion, shall be recognized.' However, problems of sovereignty arising from the birth or chequered career of certain political entities in certain circumstances are taken cognizance of in Article 9 which declares that 'the political existence of the State is independent of recognition by other States. Even before being recognized, the State has the right to defend its integrity and independence,' and to organize and carry on its administration in the normal way.

Chapters IV and V of the charter deal respectively with pacific settlement of disputes and collective security. According to Article 20, 'all international disputes that may arise *between American States* shall be submitted to peaceful procedures before being referred to the Security Council of the U.N.'. These procedures are presumably not to apply in case of disputes between an American State and a non-American State, such disputes being covered by the collective security provision, which, as we shall see below, speaks not only of aggression that is not an armed attack but also of 'extra-continental conflict'. This intention is further borne out by the enumeration among 'Purposes'—"To ensure the pacific settlement of disputes that may arise *among the member States*"; and by the reaffirmation among 'Principles' of the fact that 'Controversies of an international character *arising between two or more American States* shall be settled by peaceful procedures'. The special treaty which establishes adequate procedures for the pacific settlement of disputes, and which Article 23 mentions, is the Pact of Bogota, which sets out an elaborate and somewhat confusing procedure in this regard, in which good offices and mediation, investigation and conciliation, reference to the International Court of Justice in disputes of a juridical nature, arbitration and fulfilment of decisions, all find places. In the words of Mr. William Sanders:

The net result of these interlocking procedures is the following: The parties are not required to resort in the first instance to any particular procedure of those set out in the treaty. They may elect between them, or they may agree on some other special procedure. They may have recourse to the International Court of Justice or set up an arbitral tribunal, even in non-legal questions, rather than refer the matter to mediation or conciliation. However, if conciliation is tried and fails and the parties cannot agree on arbitration, any one of them can force a reference to the Court. If the court decides it has no jurisdiction, for the reason, among others, that the matter is not justiciable, one party can compel the other to arbitrate by requesting the council of the organization to set up the arbitral tribunal. This means that once conciliation is resorted to, automatic machinery may be set in motion by one party alone to compel judicial or arbitral settlement. Prior to conciliation, the general obligation to settle by peaceful means is operative only in terms of voluntary good offices by a third party, agreement to mediate by the parties in controversy, and the right of one party to initiate conciliation by requesting the council to convene the commission of investigation and conciliation. The key to the automatic machinery is the provision, Article XXXII, that when conciliation procedure has not led to a solution and the parties have not agreed upon an arbitral procedure, any one of them can have recourse to the International Court of Justice or, as a last resort, force upon the other party an *ex parte* arbitral procedure.

The collective security provisions consist of only two Articles, 24 and 25. The former slightly elaborates what is reaffirmed earlier as a principle, that an act of aggression against one American State is an act of aggression against all the American States, and the latter fully elaborates the situations in which the provisions of the Rio Treaty can be invoked. It runs: 'If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an armed attack or by an act of aggression that is not an armed attack, or by an extra-continental conflict, or by a conflict between two or more American States, or by any other fact or situation that might endanger the peace of America, the American States, in furtherance of the principles of continental solidarity or collective self-defence, shall apply the measures and procedures established in the special treaties on the subject.'

The procedures for the pacific settlement of disputes and armed sanctions in the last resort are apparently not to apply to any case of internal conflict in member States—between two or more rival political groups within a single State. Such conflict, presumably, is not considered 'a fact or situation endangering the peace' of the continent as a whole within the purview of Article 25. In February, 1949, a group of Governments interested in the South East Asia region offered 'mediation' to Burma in the conflict between the Karen insurgents and the Government of Burma. This was no doubt done without the framework of any permanent regional organization, or treaty arrangement,

but such efforts appear to be precluded—officially at any rate—from the Organization of American States, for it has been provided in Article 15 that ‘no State, or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State, or against its political, economic and cultural elements.’ Again, in Article 20, only *international* disputes are mentioned for submission to peaceful procedures, i.e., international as between two or more American States, and not internal disputes of individual States. Once again, in Article 16, it is laid down that ‘no State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind.’ But what of well-organized and armed minorities within a State which, in addition to forcing the sovereign will of their Government by violence in order to obtain advantages, displace that Government in due course and instal themselves as the successor Government by virtue of their superior force? These provisions of the charter are understandable against the background of the political tradition of certain Central and South American republics, to which government by constitution is only formal, and periodical *coups d’etat* are of the essence. As we shall see later, such an understanding is borne out of the attitude of certain American republics to the attempt made to define ‘democracy’ at Bogota.

Even as the U.N. Charter has Articles on economic and social co-operation that represent a realization that an organization primarily intended for the maintenance of peace must address itself also to those problems of human betterment which create the material conditions of peace, the Bogota Charter has six Articles dealing with economic, social and cultural standards. The chief U.N. Article (55) on the subject mentions in very general terms higher standards of living, full employment and conditions of economic development. But, as is naturally possible in the case of a smaller, regional organization, the Bogota provisions mention specifically the development of agriculture, mining, industry and trade (Article 26). Under Article 29 (b) is also specified the desirability of social insurance legislation in member States; work is to be done under conditions that ensure life, health and a decent standard of living both during the working years and old age, or when any circumstance deprives the individual of work. There is, of course, some hedging to these provisions as, for example, the limitations imposed by the material resources and the constitutional provisions and laws of the individual member States. This seems to be emphasized with regard to the provision for cultural standards which says that elementary education shall be compulsory and free, and that in higher education there shall be no discrimination on grounds of race, nationality, sex, language, creed or social condition. However, such provision can hardly be implemented on a large-scale without mutual assistance. And Article 27 provides that if the economy of an American State is affected by serious conditions that cannot be satisfactorily remedied by its own unaided efforts, such State may place its economic problems before the Inter-American

Economic and Social Council to seek through consultation the most appropriate solution to such problems.

The organs of the Organization of American States are six, of which the Inter-American Conference is supreme. It meets every five years and deliberates with authority over the whole field of inter-American relations. Member States have one vote each. The Meeting of Consultation of Ministers of Foreign Affairs, which is the second organ, considers problems of an urgent nature and may be convened at the request of a member State addressed to the council of the organization, and if the latter agrees by absolute majority. However, a Meeting shall be held in case of an armed attack within a State or the continental region, whether or not there is a request from a member State (Article 43). There is also a provision for an Advisory Defence Committee composed of military chiefs, to advise the Meeting of Consultation on military problems arising from the application of collective security provisions. Governmental nominees of ambassadorial rank, one for each State, compose the Council which is the third organ. This is the executive of the organization and takes cognizance of matters referred to it by the first two organs. In addition to its executive work *vis-a-vis* the Conference, the council supervises the work of the specialized agencies and submits proposals for their reform and co-ordination. The council itself has three subsidiary organs, viz., the Economic and Social Council, the Council of Jurists, and the Cultural Council. All member States have representation on these and derive technical service from them. The council also derives such service. The Economic and Social Council devotes itself to the better utilization of natural, industrial and agricultural resources, based upon technical studies. Similarly the Council of Jurists is an advisory body on juridical matters, including codification of law and attaining uniformity in the legislation of the various States. Only nine countries selected by the conference have representation on this council. The Cultural Council concerns itself with such matters as information, basic education, educational training, cultural exchanges etc. The fourth organ of the organization is its permanent Central Secretariat -- the Pan-American Union, functioning under a Secretary-General from the city of Washington. The last two organs of the Organization are the Specialized Conferences and the Specialized Bodies. The former meets only for specific technical purposes if or when the need arises as a result of decisions taken by the other organs of the Organization, except the Pan-American Union. The latter are not to be confused with the subsidiary organs of the council mentioned above. These bodies are the inter-governmental organizations established by multilateral agreements but having specific functions about technical matters. They are required to co-ordinate their activities with those of world agencies of the same character.

The statute of an international organization can be, and often is, a facade concealing a good deal of mutual antagonism and contradictory economic and political situations in the member countries. Though a statute is a willingly accepted instrument, it gives no indication of the unwillingness of members to work it. On the other hand, it invariably overstates the readiness of its

signatories to co-operate. Some issues that came up, and the controversy they revealed at the Bogota Conference, where the Organization of American States took birth, shed some light on the sort of questions which may be expected to crop up when the countries of Asia decide to form a regional organization. There is the basic question of sovereignty versus inter-dependence. It would be facile to assume that an awareness of the latter will lead to a surrender of some of the former. For the name of the organization, for instance, there was some support at Bogota for the retention of 'Union of American Republics', as originally adopted by the first Inter-American Conference in 1890. But the Argentine delegation was particularly opposed to the use of any such name as 'union', 'association' or 'community', fearing that any such designation might create the impression that the American States were attempting to set up a super-state.<sup>1</sup> It is doubtful if even the awareness of continental inter-dependence can overcome deep, extra-continental affinities. The acceptance of inter-dependence, 'of hemispheric solidarity' seems to be conditional in fact upon the demands of the sentiment of nationality. Mr. Vincent Massey, the Canadian diplomat, has observed that so long as the South American republics are isolationist, a regional system of which they are members may not fit into a system of world security.<sup>2</sup> In two world wars, he points out, pan-Americanism showed its isolationist traditions. In World War I only eight Latin American Governments declared war on Germany, and in World War II, victory was almost in sight when four of them undertook to enter the conflict. Suppose the United States went to war with Franco's Spain, it is a moot point how many of the South American countries, with a strong Catholic and Hispanic sentiment, would care to follow suit. This apart, it is obvious that the overwhelming military might of the United States is the hard fact of continental inter-dependence. When the Rio Treaty was under discussion in the U.S. Senate it was remarked with reference to Canada that she was getting a free ride; she had benefits but no obligations. Actually, however, this statement is true of a majority of the 20 partners of the United States in the inter-American system, who get a free ride by virtue of the U.S. defence resources. Indeed as a shrewd scholar has remarked, it is still a matter for speculation as to what extent co-operation in the Western Hemisphere under the aegis of the Pan-American Union is due to the magnetic power of attraction of the colossus from the North.<sup>3</sup>

It is commendable to make statutory declarations affirming faith in democracy, as the Bogota Charter does, but the wide deviations from the democratic way of life that are a feature of several South American republics caused much awkwardness at the Bogota Conference. An effort made by Brazil and Uruguay to include a statement of the elements of democracy did not materialize. The United States' compromise with undemocratic régimes has been explained away as an ability to 'get along', regardless of forms of government, depending upon circumstances, in an effort to reach a balance between

<sup>1</sup> W. Sanders, *op. cit.*, p. 387.

<sup>2</sup> 'Canada and the Inter-American system', *Foreign Affairs*, July, 1948, p. 699.

<sup>3</sup> G. Schwarzenberger, *A Manual of International Law*, p. 149.

liberty and authority.<sup>1</sup> At Secretary of State George Marshall's instance, the conference adopted a statement condemning international communism or any totalitarian system, but the original Guatemalan proposal that American republics refrain from granting recognition to and maintaining relations with anti-democratic régimes was conveniently avoided by the adoption of the above statement. In the discussions, however, while Chile, Brazil and Peru supported the U.S. in their statement against communism, (and Argentina was negative in accordance with M. Peron's policy of a third stand between international capitalism and communism) Venezuela, Guatemala and Mexico expressed the opinion that the real threat to democracy in the Americas emanated not from the Left but from the Right, and that anti-communism might strengthen the reactionary Governments.<sup>2</sup> Finally again, on the question of recognition of *de facto* Governments the issue made by some countries that the practice of non-recognition should be used as a deterrent to revolutions and *coups de' état* directed against democratic Governments was evaded in favour of a U.S. compromise proposal which took refuge in the plea that 'the establishment or maintenance of diplomatic relations with a government does not imply passing judgement on internal policies of that government.'<sup>3</sup>

The United States is no less a colossus in economic resources than in defence in the inter-American system. Only the U.S. possesses that margin of financial, industrial and technical capacity that is required to work up the living standards of its 20 partners to anything approaching its own. In addition to including certain economic principles in the charter, a separate economic Agreement was negotiated at Bogota. And it is not without significance, that neither the United States nor groups of South American countries entered reservations in regard to all the basic provisions of the Agreement, which justify to some degree the comment that the Agreement was 'hastily completed' and that the 'equality' on which it is based between the most powerful nation in the world and 20 weak, under-developed countries is a 'fiction'.<sup>4</sup> The agreement covers such ticklish matters as co-operative industrial development, private investment and its privileges, and reciprocal financial aid. An Ecuadoran proposal which was included says that account should be taken of 'the need to compensate for the disparity that is frequently noted' between the prices of raw materials and the prices of manufactured products, but the U.S. delegation was unable to accept this principle in such an agreement and entered a reservation thereto.<sup>5</sup> The agreement included provisions against discriminatory action in respect of foreign investments, for reasons other than those provided by national laws, for the expropriation of nationals. Expropriation itself 'shall be accompanied by payment of a fair price in a prompt, adequate and effective manner.' But seven South American countries entered

<sup>1</sup> O. Aranha, 'Regional Systems and the Future of the United Nations', *Foreign Affairs* April 1948, pp. 419-20.

<sup>2</sup> Olive Holmes 'Bogata Talks Fail to Meet Real Hemisphere Needs', *Foreign Policy Bulletin*, May 7, 1948.

<sup>3</sup> W. Sanders, *op. cit.* p. 413.

<sup>4</sup> Olive Holmes, *op. cit.*

<sup>5</sup> W. Sanders, *op. cit.* pp. 406-7.

reservations to this, to the general effect that the provision would be subject to 'applicable constitutional precepts'.<sup>1</sup> Here is an instance of unwillingness to face the implications of inter-dependence between more and less developed nations, and of a preference to underline sovereign equality on the other hand. The economic agreement undertakes reciprocal financial co-operation which includes stimulation for local investment of national savings and of private foreign capital; utilization of the International Monetary Fund and the International Bank; and extension of medium and long-term credits through governmental or inter-governmental institutions.<sup>1</sup> However, opinion at the conference revealed that to the under-developed South American countries financial co-operation meant only the last of these, and specifically it meant U.S. Governmental or semi-Governmental loans to them. Secretary Marshall's exhortation to them that the bulk of capital for Latin American development must come from *domestic* and foreign *private* sources appeared to carry no conviction with them. Indeed, Latin American interest in the Organization of American States is concentrated in a more important sense on deriving economic aid from the U.S. than on deriving defence aid. The conference was left unconvinced of the U.S. plea of Marshall Aid priority. The Mexican Foreign Minister declared: 'It is true that reconstruction is urgent, but economic development is scarcely less so when those who wait live in as needy a condition as do many of those who desire reconstruction.' These trends in the latest phase of inter-Americanism are of pointed relevance to a regional organization in Asia in its very first phase.

Yet another aspect of the Bogota Conference—from which Asian countries cannot fail to take lesson—is the difference in the U.S. and Latin American attitudes to European colonies in the Western Hemisphere. The conference declared that on historical and political, as well as ideological, grounds there should be no territories in the Americas in a status of dependency upon a non-American Power, and added that to terminate the colonial status and the occupation of American territories by non-continental countries is a just aspiration of the American republics. With the object of peacefully achieving this aspiration, it was resolved to establish an American Commission on Dependent Territories for the study of such colonies and territories. The subject of European colonies in America was placed on the agenda at the instance of Guatemala, and the U.S. abstained from both the drafting of this declaration and the voting thereon. Secretary George Marshall contended on behalf of his country that participation in the declaration would mean 'prejudging the conflicting claims of friendly nations'. According to him, the United States did not go beyond the familiar pious wish that peoples of dependent territories should be helped to attain a constantly increasing measure of self-government. He limited U.S. opposition specifically to future extension of (European) colonies in the Western Hemisphere. It should be added, however, that Brazil also rejected the terms of the declaration, but on the ground that the proper forum to discuss questions affecting the

<sup>1</sup> W. Sanders, *op. cit.* pp. 406-7.



interests of non-American States is the United Nations (through its division of non-self-governing territories) and not the Inter-American Conference.

## THE STUDY OF INTERNATIONAL RELATIONS IN THE UNITED KINGDOM

By P. A. REYNOLDS

THE challenge presented to the academic world by the international character of twentieth century society has been reflected in many countries and universities by the devotion of increasing attention to the prospects and problems of a scientific study of international relations. Two examples of this attention may perhaps be cited: first, the constitution in the U. S. A. of a strong research group to enquire into the scope and content of the subject; and, secondly, a resolution passed by the Preparatory Conference of Representatives of Universities at Utrecht in August 1948, to the effect that 'all those universities not already possessing special Chairs or Departments, and not otherwise providing for teaching and research on the subject of international relations, be urged as soon as possible to establish such Chairs or Departments, or make other provisions for such systematic teaching and research.'

Six months before this Conference met, the British Co-ordinating Committee for International Studies (U. K. member of the International Studies Conference) had decided to summon a conference on the teaching of international relations in the U. K. This conference, which met in London in January of this year, was the fourth of a series—three such conferences having been held before September 1939; but the discussions at the present gathering were of greater importance in that the majority of the participants were officially accredited representatives of universities and not merely individuals interested in the teaching of the subject. The discussions at the three sessions of the conference form the factual basis for this article: it will deal, first, with the provision made in the U. K. for the study of international relations; secondly, with different conceptions of the content of the subject; and, thirdly, with some suggestions as to the methods by which study of the subject may be organized.

### II

Of the 23 universities or university colleges in the U. K. only five (Aberystwyth, London, Oxford, Edinburgh, and Aberdeen) have Departments of International Relations (or International Affairs or International Politics). The first four of these are headed by professors, although the oldest established Chair (that of Aberystwyth) is at present vacant.

The five Departments differ widely in their approach to the subject: London's conception will be developed later in this paper; Oxford teaches primarily the diplomatic history of the inter-war years, 1919-39, (Oxford has also a Department of International Law, which includes international institutions in its field of study); Edinburgh is concerned with political science and contem-

porary history; Aberdeen (whose Department has only just been created) plans to study international history from 1870 up to the present, international institutions, the development and influence of international law, the influence of internal factors on foreign relations, and the interaction of Eastern and Western cultures. Many universities, among them Cambridge, Durham and Manchester, take a different view and teach the international aspects of such subjects as law, geography, economics, government and, of course, diplomatic history within their respective curricula: several universities resist the proposal to establish departments of international relations and consider that the proper approach to international affairs is to be found in this teaching of the international aspects of cognate subjects within their respective disciplines.

This opposition is based on three main propositions: that the field of study is so wide and embraces so many different subjects that the University student can only hope to gain a nodding acquaintance with each, and no proper mental discipline, or intellectual training can be obtained from such superficial scholarship; that no proper documentary material exists for the study of contemporary international problems, and that the student will be forced to read tendentious and polemical commentaries or documentary selections; and as these two objections combine in the teacher—he can be expected neither to display mastery of so many different subjects, nor to avoid partiality in examining contemporary problems—his opinions upon which will necessarily inform his teaching.

Public interest in international affairs may be great, but the function of a University is not to impart information, however important or desirable that information may be, but to train minds to acquire accurate information when it is needed and to exercise critical judgement upon that information when acquired. Such training can only be found in disciplined study, not in amorphous superficial synthesis of selected extracts from a number of different disciplines.

A measure of this opposition to the wider introduction of international relations into the curricula of U. K. universities undoubtedly derives from the traditional hostility of practitioners within established disciplines to new candidates for entry into the jealously guarded field of scholarship; and, while not denying that the fundamental nature of the attack on the academic integrity of the new discipline demands appropriate answer, proponents of the subject adduce, as initial arguments in its defence, that the subject will be taught (and is in fact being taught) by unqualified teachers, if public demand is not satisfied by the universities, that the existence of an international relations department serves, to make the lowest claim, to keep the vitally important international aspect constantly before the minds of lecturers in many other subjects, and that one most significant feature of the twentieth century world is its international character, the study and analysis of which must be a proper university function.

It is no doubt true that documentary material is tendentious and incomplete, but the historian likewise works from documents which he can never be cert-

ain are all that exist or existed, and his material equally is tendentious—indeed a most important part of his training consists in the accurate evidential evaluation of his primary sources. Nor do international relations need be confined to the study of contemporary problems. While it may be the international character of our society that has forced the problems of the relations between States upon the attention of scholars, and while students will no doubt normally be concerned with contemporary issues, yet no *a priori* reason exists why the technique of analysing the relations between States, once determined, should not be applied to historical situations. Later paragraphs will endeavour to describe this technique, to set forth one U. K. defence of the subject as an academic discipline, and to elaborate the difference between the subject as here conceived and the subject of diplomatic history.

### III

The student of international relations is concerned with the study of the relations between sovereign States, with the forces and factors influencing those relations, with the institutions established for the ordering of international intercourse and the settlement of international conflicts, and with the legal and moral principles by which those relations are, or should be, regulated.

Two fundamentally different conceptions of the proper method of approach to this study were revealed at the January Conference, among those members who favoured the study of international relations at all.

One school—the majority<sup>1</sup>—saw the subject as a synthesis of appropriate aspects of other subjects, and held that some at least of these other subjects must be studied in the first years of a student's residence at a university to give him a proper mental discipline, the complete integrated study of international relations being deferred to the closing stages of an undergraduate's career (a few indeed went further, and held that the subject was only suitable for post-graduate study).

The other school, led by teachers of the subject in London, contended that the subject had a disciplinary value and a unity of its own, and therefore the approach must be the other way round—it starts from a recognition of the unitary character of a student's desire to gain a truer understanding of the factors affecting the relations between the component elements of international society (the sovereign States), and it thereby permits him to preserve his original perspective throughout his detailed enquiries into the factors themselves.

In the eyes of the first school, the subject is a synthesis of relevant aspects of other subjects: in the eyes of the second, it starts from a unitary idea—the

<sup>1</sup> It should perhaps be noted that of the 22 official university representatives at this conference only five had experience in the teaching of international relations: the other 17 included ten historians, three economists, two lawyers, one classicist, and one professor of social administration. It is therefore not unnatural that the majority of the opinions expressed at the conference and reflected in this paper should see the subject of international relations as a synthesis of appropriate aspects of other subjects, one of the most important of which is history.

desire to understand international society—and examines the forces working within international society in the light of that idea.

Exponents of both conceptions of the subject, however, found themselves in a fair measure of agreement about the component subjects, or the forces working within international society, that require at some stage to be studied. The mechanisms and legal principles of international society, to name the first, of these, already form part of established disciplines in many universities: international law is an integral part of many law degrees; the study of international institutions, from the historical viewpoint, is necessary to the student of diplomatic history in the twentieth century and indeed in the nineteenth; political scientists and students of government naturally may include an analysis of international institutions in their normal curricula. Study of the mechanisms of international society, however, cannot stop at the study of international institutions. Like the League of Nations, its predecessor, the United Nations Organization, with its dependent agencies, offers facilities for the ventilation of disputes, for their canalization and sometimes their settlement; it provides opportunities for the meeting of world statesmen, and initiates action over a wide range of economic, social and cultural, as well as political, problems throughout the world; but the regular business of international intercourse is conducted through diplomatic channels, through foreign offices, embassies and legations, and no accurate understanding of relations between States is possible without a knowledge of the workings of this machinery. No diplomatic historian can afford to ignore the effect of governmental and diplomatic machinery on the making of foreign policies, and the student of international relations equally must understand the mechanical means through which international intercourse is normally conducted.

Distinct from the mechanical and legal structure within which relations between States are conducted are the fundamental forces and factors which affect the development of those relations. Of prime importance must be the geography of any country or area under study: the attitude of Great Britain towards Europe and the world has been—and to a considerable extent still is—largely determined by the existence of the English Channel and by her dependence, at least since the turn of the eighteenth century, upon overseas trade for the feeding and employing of her people: the policy of Turkey is at every turn conditioned by her possession of the Straits and her key position on the landbridge between Europe and Asia: the rigid structure of the Soviet State and the religious content of its guiding ideology no doubt in part derive from the limitless space of the Russian steppes and its administrative and psychological consequences. Moreover, a country's geographical structure and position have profound effects upon its strategic needs and concepts with their fundamental repercussions on internal social organization, on external policy, and on power—the analysis of which, in the opinion of some authorities, constitutes the major task of the student of international relations.

Further, the relations between States must be influenced by the economic resources and economic stability of each member of the international society,

by their political structure and the political theory upon which it is founded, by their demographic trends and problems, by world technological developments which may profoundly affect their international importance (as the use of oil as a source of power created new centres of interest and conflict in the Middle East, or as the industrial harnessing of atomic energy might conceivably solve one of the major problems of the Soviet State—the provision of power for the development of its vast areas and resources), by their cultural traditions, affiliations and sympathies, and by their ‘social psychology’, if such a term has definable content—the morale of a society, its sense of community, national or international, its reaction to various external or internal stimuli.

Each of these factors is in a sense an element in the power of States, but few would claim that the last at least is as yet capable of scientific analysis or understanding, or is a suitable subject for students at a university. But sufficient has by now been said to show that a proper study of international relations demands some acquaintance with a bewildering variety of subjects, and that clearly no student can hope to master—even to master the fundamentals of—so many different disciplines and so many different spheres of knowledge.

The conclusion of the first school (those who conceive international relations as an integrating subject, a synthesis of relevant aspects of other subjects), therefore, is that in the early years of his residence at a university, the international relations student must pursue a disciplined course of study in a suitable selection of these subjects, and his international relations study must probably consist of specialization in a particular problem or region, in the analysis of which all the component elements of the synthesis will be applied.

The conclusion of the second school is that the study cannot go very deep during an undergraduate course; for the contention is maintained that the degree of apparent superficiality will be lessened according to the length of time during which the study is pursued, and that the charge of superficiality is not of itself a decisive condemnation.

In neither school, clearly, is there a possibility of confusion between international relations and diplomatic history. The latter aims primarily at determining the course and development of foreign policies and their interaction upon each other. Its major task is the endeavour to establish what a policy was, and how (and to a limited degree why) it was made. The analysis demands knowledge and understanding of diplomatic and governmental machinery, and training in the weighing and assessment of source material—despatches, telegrams, foreign office memoranda and minutes, memoirs, speeches and contemporary press statements—in order to determine what a policy was; it requires study of governmental structure—the influence of executive, legislative and administrative elements—and of extra-governmental factors such as the press and public opinion and the modifications dictated by problems and commitments in areas other than that immediately under study, to establish how a policy came to be formulated.

Such an analysis demands and imposes the most severe intellectual discipline if a properly objective and accurate account, firmly based upon evidentially evaluated documentary foundations, is to be constructed: only with caution and qualification will the diplomatic historian permit himself to stray from his defined terrain and enunciate 'fundamentals of policy', or indicate 'vital interests' and the reasons therefor, or analyse the elements of national power upon which all foreign policies are—or should be—ultimately founded.

The student of international relations, on the other hand, is largely concerned with the basic forces affecting the relations of States, one with another; the diplomatic story is certainly one of the factors affecting his problem, but it is only one element of his analysis to be correlated with those other factors of economics, demography, technology, law, geography, strategy, political theory, and—if such exists—social psychology, of which mention has already been made.

The diplomatic historian, thus attempts to examine in detail and, as far as possible in isolation, the historical development of the foreign policies of States towards each other and towards problems of international concern. The student of international relations, on the other hand, endeavours to develop a technique of theoretical analysis, of which diplomatic background is but one element, and which is applicable to any international issue, past or present. There is thus no line of chronology dividing international relations from diplomatic history: the difference is one of approach, of object and of method.

This rather more detailed discussion of the distinction between international relations and diplomatic history has been undertaken for three reasons.

In the first place, the distinction is seldom clearly made in the U. K.; indeed, as was mentioned earlier, students of international relations at Oxford study primarily the diplomatic history of the inter-war years 1919-39.

Secondly, the foregoing discussion broadly illustrates the difference in the demands made by the students of international relations from those of students within the disciplines, not merely of diplomatic history, but of all the other subjects to which international relations must sooner or later turn for assistance in detailed analysis. Students within such recognized disciplines as those of economics or law or demography or political science are concerned to extract and study, as far as possible in isolation, one aspect of man in society. This process of breaking up the study of society, of isolating and specializing in the analysis of one aspect of it, has been proceeding almost without interruption since the turn of the eighteenth century. International relations react against this trend of increasing specialization, and attempt an integral view of one field of humane study—the relations between the societies into which man is organized—whether the approach to that integration is from a prior study within specialized fields (according to the views of the first school elaborated in an earlier paragraph), or whether it starts from the unitary desire to understand international society (as the subject is seen by the second school).

Thirdly, the reason why the distinction between international relations and diplomatic history has been discussed in detail is that many of the members of the first school of thought who expressed views at the recent conference held that, despite the difference in technique and object of the two subjects, the approach to international relations should be from a historical viewpoint. Many of the component subjects of international relations which, in the opinion of this school should be studied before a full international relations analysis is attempted, require historical knowledge for their proper understanding: international institutions—their creation and development, their successes and failures, their strength and weakness—cannot be understood without knowledge of their historical setting; the vitally important military and strategic aspect of international relations can best be illustrated from a study of military and naval history; the governmental machinery of a State, its political structure and the political theory upon which that structure is founded, can only be properly assessed through constitutional history and the history of political ideas; the inponderable element of cultural tradition and allegiance (which may well be the most important single factor affecting the relations between States in the twentieth century, as economic development and rivalry was in the nineteenth), demands careful and judicious historical investigation before even a hesitant estimate can be made of its force and quality.

Thus while diplomatic history is itself one of the elements of the international relations synthesis, many of the other components require a historical approach for their proper understanding. If it is true, as the members of this school maintain, that no student should approach the subject of international relations without adequate training in one or more of the appropriate specialized disciplines, then history logically demands a leading place among these prior disciplinary studies.

#### IV

The central issue round which academic dispute over international relations revolves is whether the subject is a practicable or suitable one for study at a university, either at first degree or at post-graduate level. Few of its most vigorous opponents would deny that the teaching of any humane subject must necessarily have application in greater or lesser degree to man's contemporary existence and must derive significance or emphasis therefrom, that a teacher whose instruction is divorced from the minds and concerns of his students must fail properly to perform his function, and that international issues are of far greater importance to the individual and to the community—and are therefore among the leading concerns and interests of thoughtful students—in the twentieth century than they have been at any previous period of human history. Academic study and analysis of international relations are therefore imperatively demanded, not merely because an international society requires the creation of an informed public opinion and a trained body of experts on international problems, but because the twentieth-century student of the humanities is naturally tending to think in an ever-increasing degree

in international terms. That is a tendency not to be deplored, but to be encouraged.

The problem for university teaching then is, first whether curricula for international relations can be organized, and teachers of appropriate qualifications and calibre found, that not merely shall information about international problems be disseminated, but that a mental discipline and an intellectual training shall be acquired without which a student cannot develop that critical judgement, the fostering of which is a main function of higher education; secondly, whether, universities can and should meet the demands of students and society for guidance in international affairs only by devoting increased attention to international aspects of existing specialized disciplines; or whether as a third possibility, international relations is a subject suitable only for post-graduate study when an appropriate intellectual training should already have been acquired.

The present writer is of like mind with many speakers at the January Conference in believing that the mere devotion of increased attention to the international aspects of existing disciplines does not adequately meet the need which the study of international relations aims to satisfy, and that possible methods of constructing curricula for the subject of international relations can be elaborated. The structure of such curricula will, of course, be determined by the conception of the subject for which a curriculum is designed. The first school finds its major difficulty in the multiplicity of subjects with which the student of international relations must be familiar, and in the consequent danger of only superficial study in such a wide field. (The further problem of ability to read foreign languages has not hitherto been touched on, but this is a problem which increasingly affects every branch of higher education, and it is not international relations alone which demands a fundamental change of approach to language training in the United Kingdom.)

The suggestion of the present writer is that, with this conception of the subject, the early part of an undergraduate's residence at a university should be devoted to historical study as the most suitable discipline upon the basis of which international relations may be founded. On this view, the undergraduate's first subjects of study would be diplomatic, constitutional and military history, diplomatic machinery, the history and theory of international institutions, and international law. But even though study would be concentrated upon those aspects of constitutional and military history more directly affecting the relations between States, the foregoing list of subjects would appear to be the maximum that could be properly studied by any student in the first two years of his residence at a university.<sup>1</sup> In the U. K. the normal degree course extends only over a period of three years, and it is by no means certain that specialization in international relations would be possible in one year, even though a not inconsiderable foundation had been

<sup>1</sup> Even this concentration is dependent upon acceptance of the view of those international lawyers who contend that their subject may be taught without any previous knowledge of, or concurrent instruction in, other branches of law.



laid in the previous two. (The problem is, of course, greatly simplified if the degree course is spread over four years. At Glasgow, for instance, double schools of independent, but related, subjects, whose courses extend over four years, are common: history and international relations would pair most satisfactorily for such a degree.)

Should such specialization be practicable, the form it would probably have to take would be specialization either on a particular problem, or upon a particular region: in his analysis of this problem or region, the student would apply the whole range of components of a proper international relations study from the economic, the geographical and the technological to the historical, the institutional, the legal and the strategic in which he would be already trained. It may well be that such a study could not be attempted in one year, and if that opinion is correct, then the two alternatives would be the creation of a four-year course (such as exist at Glasgow and Oxford for certain subjects), or the restriction of international relations to post-graduate study. In the latter case, the first degree might be a compound of relevant branches of history, geography, economics and law, with specialization in one of the four, on the model of the Oxford Modern Greats degree compounded of philosophy, politics and economics. Either of these two alternatives would appear to offer a satisfactory basis for the study of international relations, as conceived by the first school, and decision between them should probably be determined by the organizational pattern or special facilities or requirements of individual universities: each would offer a method by which international relations could be studied without detracting from the essential function of higher education—intellectual training—and each would avoid the despairing counsel that universities can only foster international studies by paying more attention to the national aspects of recognized disciplines.

The members of the second school, however, maintain that international relations, as a subject in its own right, cannot be properly approached by way of a different discipline (a specialized discipline, moreover, whose object is to study, as far as possible in isolation, a single aspect of man as a social animal), but must start from the student's desire to understand international society and examine the factors and forces affecting the relations between the component elements of that society in the light of that desire. It is not just a collection of bits of other subjects, and it imposes its own mental discipline, its method being one of analytical abstraction (more akin to the sociological than the historical method). At the start of his under-graduate career, therefore, the student must endeavour to develop a technique of theoretical analysis of an international society, an endeavour which will condition and stimulate his study of the factors of history, economics, geography and the rest. The student then studies some such subject as the structure of international society, and, concurrently with that study, considers economics, international law, international history, international institutions, and the other appropriate aspects of his analysis. The specialization in international relations within the present B.Sc. (Economics) degree in London, is built on this conception of the subject, and the examination comprises one paper on international

relations, two on economics, one on economic history, one on international history, one on international institutions and one on international law.

Evidently, specially trained teachers are required for international relations conceived in either of the two ways here set forth, but it does not necessarily follow that the international relations department must concentrate within its own ranks specialists in every aspect of the subject. Historical, institutional and legal studies may well be directed by teachers within the respective fields of history, governmental and political science, and international law, provided attention is paid to the particular needs of the intending student of international relations; but it is more probable that specialists within the department will be required to teach at least the economic, geographical and strategic aspects of the subject. Particular methods of organization will vary, according to the facilities available at various universities, but most authorities agree that the teaching of the subject can best be planned as an inter-departmental study under the co-ordinating direction of a single teacher, with or without the assistance of a group of specialist teachers within his department.<sup>1</sup>

## V

The intention of this paper has been to attempt a statement of present opinions in the U. K. on the introduction of the subject of international relations into university curricula, as expressed by leading academic representatives at the recent London Conference on the teaching of international relations. It has aimed, in particular, at the elaboration of the two opposed views of the subject, to which fullest expression was given at the conference. Little foundation exists for an endeavour to pronounce upon the respective merits of the two viewpoints, since the very limited experience in the U. K. of university teaching of international relations, and the widely divergent views as to its content, make any statement on the subject necessarily tentative and subject to fundamental modification in the light of wider experience or discussion. While academic bodies throughout the U. K. are increasingly admitting the need for fuller recognition and study of the international aspects and problems of twentieth century society, there is very real and fundamental disagreement about the methods of organizing such studies at universities without abrogating the fundamental task of higher education. As long as this disagreement persists, opinions on issues such as those considered in this paper can only be set down with the greatest reserve but it was thought that some statement of the views of academic personalities in the U. K. interested, but not all experts, in the subject might possibly be of value to Indian universities which might themselves be devoting attention to this problem.

<sup>1</sup> *Vide.* Grayson L. Kirk, *The Study of International Relations in American College and Universities*, pp. 75-85.

## POLITICAL TRENDS IN ITALY

By MASSIMO SALVADORI

**SUMMARY:** I. Does Italy matter?; II. The background of political activities; III. The 'liberal' experiment; IV. Fascist interlude; V. The Liberation and a New Awakening; VI. The Constitution of the Italian Republic; VII. Recent Developments: settling down or increasing tension?

### I

Situated in the middle of the Mediterranean, equally close to three areas of widely divergent cultures, Atlantic Europe, Moslem North Africa and the Near East, sovietized Balkan and Danubian lands, Italy compares in area (about 120,000 sq.m.), population (nearly 50,000,000) and historical importance with India's United Provinces. The glories of the past have mostly gone; what Italy created during the Roman period or during the communal phase of Europe's middle ages, has become part of the common heritage of mankind.

Though her position in relation to the rest of the world has changed, Italy still plays a rôle which it would be a mistake to belittle. Although the word fascism, unknown a generation ago, has become part of the vocabulary of most languages, it is nothing to be proud of, but it cannot be ignored. It was in Italy that for the first time an explosive mixture of rabid nationalism and revolutionary syndicalism took an organized form and seized political power.

Militarily, Italy is weak, but in spite of that, she has played an important, even if mostly negative, part in two world wars. The Allies would not have been faced with the necessity of organizing the difficult campaigns of North Africa and Italy, expensive in terms both of human lives and money, if the country had remained neutral.

Italy is also the centre of Roman Catholicism which, after having lost ground for 200 years against the forces first of intellectual and political liberalism, and later of collectivism, now is reacquiring new strength and new influence. Out of the 70 odd sovereign States into which the world is divided, in 30 the Catholics form the majority, sometimes constituting the whole of the population; in 10 they constitute considerable and influential minorities.

Since the end of the war, Italy has become a bastion of that political unit which under the stress of Soviet pressure is being organized on both sides of the northern Atlantic. The strength of the bastion rests, firstly, on the strength of the U.S., the unwilling leader of anti-Communist Western States, and, secondly, on the solidity of its political, social and economic structure.

### II

Italy's politics must be viewed against the background and the total reality of the Italian nation. A number of facts should be taken into consideration, of which only the most important ones only may be mentioned here.

The Italian nation is characterized by both horizontal, or socio-economic, and vertical, or geographical, stratification. Manual workers and their

families compose three-fourths of the population, but it would be a mistake to consider them as a solid bloc. One half are employed in agriculture and the other half work in industry, communications and trade. The cleavage between town and country is deep, and rural groups are not likely to react politically, or otherwise, in the same way as urban groups.

About one-third of the manual workers can be considered proletarians, members of an amorphous mass, incapable of independent political action—capable only, if it can express itself politically, of giving its enthusiastic support to a despot; another one-third is composed of skilled workers whose economic and intellectual level compares favourably with the level of corresponding groups in Western Europe; the remaining one-third includes those who are engaged in independent economic activities—mostly small farmers and artisans. The last has developed attitudes and forms of behaviour which are close to those of the lower middle classes. The rest of the Italian population includes a small upper middle class of wealthy people. More numerous are the intellectuals and professional people, who have formed the most active group, politically, since the end of the 18th century; the lower middle classes of small traders and badly paid white-collared workers, form about one-seventh of the population. What used to be an upper class of nobles and clericals survives physically in a few thousand individuals, but has little significance except for foreigners who pride themselves on the friendship of the titled relics of the past ages.

The vertical, or geographical, differentiation is usually represented with the two terms North and South. This division is an old one; the Romans were the first to make a political unit of the South (which had received its culture from the Near East) and the North, occupied by tribes of Celtic culture. The unification took place during the third and fourth centuries B.C.; it was broken by Justinian's conquests in the six century A.D. Unity was not re-established until 1860. To-day we may say that while Italy north of Florence is distinctly European, Italy south of Florence is distinctly Mediterranean. Within the two major divisions are smaller ones, as each of the 19 regions in which the country is historically divided has its own tradition, dialect and customs. For the middle classes the feeling of belonging to the Italian nation is, undoubtedly, stronger than any sectional feeling. For most of the lower classes the social reality is represented by the local community only.

Italians' minds are mostly conditioned by Roman Catholicism. An Italian may be a Catholic or a non-Catholic, but in 999 cases out of 1,000 his *formamentis* derives from the basic principles and logic of Catholic thinking. During the second half of the 18th century and during the 19th century, a number of educated Italians had broken away from Catholicism; their number is considerably smaller today than a generation ago. Tradition weighs on the minds of most educated Italians; modern Italy did not break away from its ancient and medieval past, as has happened to the nations of the eastern Mediterranean. To these characteristics is to be added a fundamental humanitarianism which explains why movements which elsewhere in

Europe have been accompanied by great violence, have presented a less extreme aspect in Italy. Italian Peasants' revolts during the middle ages were less violent than those of the Jacqueries of either France or Germany; Catholic oppression was never so harsh as, for instance, in Spain; anti-Semitism never acquired the form of wholesale persecution of Jews; the revolutionary and reactionary movements which characterized the first 100 years of Europe's age of liberalism were less violent in Italy than elsewhere on the Continent; Italian fascism seemed extremely harsh, but, objectively, it must be recognized that it was a mild form of despotism when compared to the ruthlessness of German fascism.

In the economic field, an outstanding fact is the pressure exercised by the population over natural resources. The country is definitely over-populated; it is reckoned that it could provide a decent standard of living to no more than 32 or 33 million people. Only one-third of Italy is composed of fertile lands; there is a lack of minerals; and due to the mountainous character of many regions, transportation is expensive. The accumulation of capital presents serious difficulties. During the last 30 years of Europe's liberal period, before 1914, industry had developed considerably—thanks to the impact of an expanding market based on free trade—and if trade between nations had remained free, industry could have guaranteed a decent standard of living to Italy's population. But now international trade stagnates and with it stagnates the Italian industry. The national income (around 8 billion U. S. dollars in 1948) may seem a relatively high one for a small country, but that total must be divided between nearly 50 million people. Losses due to the war were high, and it is calculated that nearly one-third of the national wealth was destroyed during the campaign of 1943-45.

### III

Generally speaking, the political development of contemporary Italy followed the pattern characteristic of most western nations. Taking advantage of the weakening of a social order based on the despotic rule of small privileged groups, a minority of enlightened people, composed mainly of so-called 'liberals', had been able in the 19th century to seize political initiative. For two generations (1860-1922), Italy enjoyed free institutions: there was a Parliament, composed of the freely elected representatives of at least some sections of the citizens; freedoms of person, of expression and of association were recognized and guaranteed by the State; universal education was introduced; the State and the Church were distinct and separate; separation was also achieved between political power and economic power. During these 60 years Italy progressed considerably. Her population rose from just over 25 million people to nearly 40; real national income was quadrupled; agriculture, industry and trade flourished; intellectual and artistic life blossomed; an increasing percentage of the citizens participated in the conduct of public affairs.

But the liberal structure was never really solid. Its main weakness lay in the fact that it had been the result of the efforts of a minority of the citizens.

It had been hoped that those who were absorbed later on into the political body of the nation would share the ideals and attitudes of the liberals, but this did not come about. The activized sections of the lower middle classes and of the lower classes expressed political aims which conflicted with those of the liberal State. Their interest in the freedom of others (the fundamental element of a liberal society) was no more than that of those whom the liberals had defeated during the struggle which ended in 1860. At the same time there was the re-organization of some of the groups which had been defeated and which had expressed their political aims by following the tendencies of clericalism and of a nationalism intolerant of individual liberties. A third disturbing element was represented by the division, which became more and more evident, within the none-too-large body of liberal opinion.

The development of these trends could be interpreted, as was mostly done at the time, as nothing more serious than the growing pains of a nation which was trying to translate into reality the ideals of liberty and democracy. This might have been true if Italy had not become involved in World War I. In 1914, a majority of the Deputies in Parliament were against war; it can be safely assumed that they expressed the real will of the majority of the Italian nation. The pressure of small groups, some of the Right and some of the Left brought Italy into the War. There was considerable suffering; 600,000 soldiers were killed; the economic life of the nation was disrupted; the groups which exercised functions of leadership became gradually weaker; the process of political activation was undoubtedly speeded up, but not in the sense of giving greater support to free institutions. The end of the war was followed by an anti-war reaction that increased the power and influence of the collectivist movement which had opposed Italy's participation in the war, and which was opposed at the same time to a liberal State. For about two years collectivism threatened the free institutions of the country. The threat disappeared, not so much because of the strength of those who opposed collectivism, but because of a split which took place within the ranks of the collectivists between those who put the main emphasis on the citizen's right to act freely, and those who believed in the State's duty to enforce what is good—even if a majority of citizens prefer what some may consider bad.

#### IV

While the liberal structure of Italy was being threatened by a collectivist movement which failed because of its internal dissension, it was also threatened from another side. What had been a small nationalistic movement before 1914 suddenly became one of the main political forces of the country. European nationalists have often been known to reach the conclusion that nothing which may weaken the nation should be tolerated; they consider internal dissensions the natural result of freedom—a serious weakness for a nation. The Italian nationalists, like the nationalists of any other European country, opposed a parliamentary government based on the multiplicity of political parties; they opposed the right of the citizen to have a will of his own; they wanted a strong State and no dissension among the citizens—which can be achieved only

through the establishment of a despotic Government. Fascism is the name given to this integral nationalism which differs from the nationalistic movements of the 19th century, chiefly because it received the support of large sections of the popular masses.

It is probably too early to assess the responsibility for the coming into power of the fascist movement in 1922. What can be said now is that its success was due not so much to its own virtues as to the weakness and the stupidity of its opponents. King and army generals, bishops and archbishops, industrialists and landowners supported fascism. It is doubtful however that their support would have brought victory to the fascists if those who called themselves Democrats (Liberals, Socialists and Progressive Catholics) had shown the capacity to run the affairs of the State. There was a Parliament in Italy but a majority of the deputies were not conscious of their responsibilities. Governments were formed and dissolved in quick succession. In order to carry on with their day-to-day life citizens need a minimum of political stability. When Parliament was not able to provide it, it was natural that large sections of the Italian citizens should turn to a movement which promised stability and of which it was difficult to say that it might be the forerunner of totalitarianism—as it later proved to be.

In October 1922, when the fascists seized power, the political structure of the country was approximately as follows: the majority of the middle classes was paying only lip-service to the aims of liberalism; a strong minority, particularly large among the lower middle classes, supported enthusiastically the fascist movement, the political expression of the Catholic church; the Popular Party had the support of important groups of the upper classes and of a majority of the peasants; collectivism directed the political activities of a majority of the workers and of important minorities of other social groups. The most aggressive of the four movements was the fascist one.

During the 20 years of fascist régime, the nation gave the appearance of having accepted the change from a liberal to a despotic structure which took place between October 1922, and November 1926. Actually, a minority of Italians were sincere supporters of fascism, but the great majority adjusted themselves to the new conditions. Liberalism, political Catholicism, collectivism, either in its Socialist or Communist variety, survived, but only as uninfluential movements outside the main stream of the national life. Some people kept aloof from fascism; others engaged in the activities which are characteristic of an illegal underground opposition.

Altogether, probably not more than 1 % of the adult population, about a quarter of a million people—failed to adjust themselves to the fascist régime or refused to accept fascism. Among these were the tens of thousands who went into exile or engaged in underground opposition.

Here we have an important distinction between fascism in Italy and fascism in Germany. In Germany a majority of the people *were* fascist; in Italy a majority of the people *accepted* fascism, without being inherently convinced of its advantages. When a crisis arose, as happened during World War II, those who had adjusted themselves refused to run risks in order to defend

political structure which was being attacked by external forces. After the invasion of Sicily by the Allied forces (July 1943) a conspiracy among the upper crust of fascist leaders caused the downfall of Mussolini, and a parallel conspiracy within the monarchical circles—which had until then enthusiastically supported fascism—returned, momentarily, power to the King and his advisers.

## V

In October 1943, I was asked by the Allied authorities to prepare a memorandum on the relative strength of the political forces in Italy. I prepared two diagrams, one for the situation as it existed up to 25 July i.e., the day Mussolini resigned—and the other for the situation after that day. In the first diagram I showed that, on the basis of rather vague information, one could assume that not more than 2% of adult citizens were active fascists, 1% were active anti-fascists, the rest were adjusted to fascism. The adjustment was, of course, the result of the pressure exercised through a tyrannical organization over the will of the citizens. When the pressure was eliminated, the picture changed and I assumed that once the fascists were no longer able to enforce their will, one would find not more than 1% of the adult population in the fascist ranks, and for the rest there would be a revival of the political trends and political forces which had existed in the country before 1922. My estimate was that about two-fifths of the citizens would support a party formed by the politically inclined Catholics, another two-fifths would support collectivism either in its diluted form (Socialism or in its integral form Communism). Most of the balance of the adult population would join the ranks of parties linked to the liberal tradition. Under those conditions it is evident that it would have been unrealistic to think in terms of the revival of the 'liberal' Italy which had died in 1922. It was also evident that whatever freedom existed in the country would be the result of a balance between the two main political forces, Catholicism and collectivism.

A concerted attempt at political re-organization took place during the 18 months of the war in Italy, between September 1943, and May 1945. The collapse of fascism had, undoubtedly, left a vacuum. During the war, conditions were extremely difficult for a great majority of the population, but in spite of this an attempt was made to replace the fascist structure; under the stress of necessity caused by the war, what had been small underground fascist groups before 25 July 1943, joined together and formed what later became known as committees of national liberation. The committees formed in practically every town and later on grouped in provincial, regional and national organizations included representatives of the Christian Democratic Party (the successor of the pre-fascist Catholic Popular Party); of the Liberal Party (representing mainly traditional liberalism); the Action Party (a new political movement based on the underground organization, Justice and Freedom, which had opposed fascism from 1929 to 1943, and which had attempted to combine political liberalism with economic collectivism); the Socialist Party (nominally Marxist, in reality divided between a wing for which democratic procedure was more important than collectivism and a wing willing to reject



democratic procedure if it hampered the realization of collectivism) and the Communist Party. Sometimes a sixth member, representing one of the minor parties, deriving from the lay, individualistic tradition of the 19th century, was added.

In German-occupied territory, the committees of national liberation acted as organizers of the resistance movement which developed in the days following the armistice of 8 September 1943. By the time the war came to an end, the armed forces of the resistance included about 200,000 men, whose contribution to the Allied victory was considerable. On the basis of the information I gathered while acting as liaison officer with the headquarters of the Committee of National Liberation, in April 1945 (just before Germany's surrender), resistance units under Communist leadership included about 45% of the total number of armed men; units linked to the Action Party 25%; units under the command of regular army officers (nationalist and monarchical) 20%; the rest included the units attached to the Socialist Party and the Christian Democratic Party. But whatever the political colour, it can be stated safely that the resistance movement was, in the first place, nationalist and anti-German. Anti-fascism, except in the case of the leaders, played only a secondary rôle.

In the territory freed by the Allies after the landing at Salerno (9 September 1943), a Provisional Coalition Government was formed in April 1944, in which the parties of the committees of national liberation were represented on a basis of equality. The Provisional Government, to which fell the unpleasant lot of administering Italy under the control of the Americans and the British, was re-organized just after the liberation of Rome and central Italy (June 1944), and again after the liberation of Milan and Northern Italy (May 1945). At one time or another it included most of the best known Italians who had never accepted fascism: the Philosopher Croce, the economist Einaudi (at present President of the Italian Republic), Count Sforza, the most active spokesman for a united Europe, Togliatti, who had spent 15 years in Moscow, and Parri who for 20 years had led an important section of the underground opposition.

The fiction of equal strength of the non-fascist parties was kept on until June 1946, when the citizens, men and women alike, went to the polls to elect the members of a Constituent Assembly entrusted with the duty of putting on a firm basis the State which had arisen from the ruins of fascist Italy. It was the first time since 1921 that free elections took place. Thanks to the optimism following the end of a war which had caused terrific suffering to the people; thanks to the spirit of discipline animating citizens and political organizations (without exception) alike; thanks also, possibly, to the presence of token American and British troops—undue pressure was not exercised over the voters who freely expressed their political will. What this will was indicated by a few figures: the Christian Democrats received 38% of the votes; the Socialists 22%; the Communists 18%; the Liberals, Republicans and smaller parties representing the liberalistic tradition of the 19th century, either in its conservative or in its radical aspect, 12%; the Action Party 1%.

The balance went to a dozen splinter groups all unimportant except the Sicilian Home Rulers, and the neo-fascist 'Common Man' movement.

The most important result of the elections was probably the definite failure of 'liberalism' to return to the leading plane it had occupied before 1922. Another important result was the failure of the attempt to introduce through the Action Party something new on the political chessboard of the country. The race to power was being disputed between clericalism and collectivism, for both of which non-political considerations are paramount and questions of liberty and democratic procedure are secondary.

On the same day that Deputies were elected to the Constituent Assembly, the citizens had been asked by the Provisional Government to decide if they preferred as head of the State a king or a president. Twelve million voters chose the Republic and ten million the monarchy. A larger majority either way would have been preferable but unless strong pressure is exercised by the Church, the Republic is likely to survive. The strength of the monarchists is chiefly in the south. In view of the more advanced political consciousness of Northern Italians, it is difficult to see how the monarchy, supported by the population of the backward regions, could return.

## VI

It took 18 months for the Constituent Assembly to draft and approve the new charter of the Italian nation. It includes altogether 157 Articles and is divided into four main sections, the first dealing with the fundamental principles, the second with the rights and duties of the citizens, the third with the organization of the Republic, and the fourth including a number of special regulations.

The 12 Articles, in which are expressed the fundamental principles, are not a synthesis of the views of the three main tendencies which were represented in the Constituent Assembly elected in 1946, but a juxtaposition of these views. To the liberalistic trend, which finds its inspiration in the French Revolution, are due the statements that sovereignty belongs to the people (Art. 1), that the Republic recognizes and guarantees the inalienable rights of man (Art. 2), that all citizens are equal (Art. 3) and that the Republic favours local self-government (Art. 5). To collectivism we owe the statement (part of Art. 1) that 'Italy is a democratic Republic based on Labour'; the statement that the Republic must remove economic and social obstacles limiting liberty and equality (Art. 3). One would ask here why there is mention only of economic and social obstacles. What about political obstacles? What about intellectual obstacles? It is a pity that after the experiences of the last 150 years and after the long discussion on the relationship between the two elements of liberty and equality which are both required for the existence of a free society, and neither of which can be realized fully without offending the other, nothing more clear should come than a general statement. To the collectivist trend is due also the declaration that every citizen has a duty to contribute to the material and spiritual progress of society (Art. 4). There is little doubt that considerable divergence exists on what should be the

progress of society and whether (on the basis of this Art.) any government which is so inclined can limit the freedom of the citizens. Two Articles reflect the views of clericalism, as expressed by the Christian Democratic Party. Art. 7 states that 'each in its own sphere, State and Church are independent and sovereign'. It is one thing to talk about separation between political and religious power, but quite another to recognize the sovereignty of the Church. In Art. 8, it is stated that all creeds are equally free, but, evidently, some are more equal than others, as it is also stated that non-Catholic creeds can establish their own rules and regulations in so far as they do not conflict with the Italian juridical order: no such limitation is mentioned in relation to the Catholic Church.

Forty-two Articles deal with the rights and duties of the citizens. Articles also mention personal liberty (13); the inviolability of the home (14); the secrecy of the mail (15); freedom of movement (16); the right of assembly (17); the right of association (from which are excluded only secret organizations or organizations of a military type) (18); freedom of conscience (19-20) and freedom of expression (21). In the case of each one of these Articles the legislators have added expressions which limit the scope of the principles: by trying to include everything a confusion has been made between the Constitution itself and legislation. On the basis of the written test a totalitarian régime could, for instance, suppress freedom of movement and maintain, rightly, to be entirely within the legality of the Constitution.

Considerable importance is attached to Art. 27, according to which penal responsibility is personal, the accused is not presumed guilty until he has been sentenced by the lawful judges, punishment must aim at re-education, and the death penalty is banished, except under martial law. This represents a complete reversal from the position adopted by the fascist legislators 20 years ago. The Constitution also states that the Republic recognizes the family, based on marriage and on the equality of husband and wife (Art. 29) : in a country like Italy this represents a very considerable improvement over traditional views. Parents must support and educate their children either legitimate or illegitimate (Art. 30), but there is no mention of the corresponding obligation of the children to support their parents. To Catholic influence was probably due the statement (Art. 31) that the Republic must help large families (without considering that in a country like Italy large families should be discouraged as much as possible). Arts, sciences and teaching are free (Art. 33); elementary education is compulsory and free of charge for a period of 8 years (Art. 34). In the field of economic relations, the Catholic principle of a 'fair wage' finds its application in Art. 36, which states that salaries must be in proportion to the quality and quantity of the work done, enough always to guarantee a dignified life for the worker and his family (something which, unfortunately, cannot be realized in Italy, unless there is a considerable increase in production). Considerable discussion took place in the Constituent Assembly on Articles 41 to 44, finally formulated in such a way as to give satisfaction to conflicting views. Art. 41 'recognizes free enterprise', adding immediately, 'provided it is not contrary to social usefulness', (determined

by whom?), 'liberty or human dignity'; and establishes that plans be made for the co-ordination of private and public economic activities for the achievements of (undefined) social aims. Art. 42 recognizes private property, while according to Art. 43 the State can nationalize utilities, sources of energy monopolistic enterprises; and Art. 44 limits the rights of landowners. Other Articles deal with the establishment of a national system of insurance against accidents, disease, old age and involuntary unemployment (Art. 38), with the development of co-operative organizations and the protection of artisans (Art. 45), with workers' rights to co-operate in the operations of economic enterprises (Art. 46), with the protection of savings and government control of credit (Art. 47).

In the field of political relations, all adults have the right to vote (Art. 48) and to be elected to public offices (Art. 51), with few exceptions. Art. 49 emphasizes freedom of political association, therefore repeating Art. 18; Art. 52 says that all citizens must serve in the armed forces and Art. 53 that all must pay taxes.

The fifty-nine Articles dealing with the legislative, executive and judiciary powers are typical of contemporary 'western' constitutions. From the point of view of democratic procedure their contents show a most definite progress over the pre-fascist Italian constitution, first granted to his subjects by the ruler of Piedmont (in Northern Italy) in 1848. A clear-cut division is made between the three powers, and although the legislative is the first in rank and the real depository of the national will, a system of checks and balances has been introduced with the aim of reducing to a minimum the possibility of abuses on the part of whatever group achieves a position of leadership in the State.

The principle of bicameral responsibility was realized through the establishment of a House of Representatives and a Senate (Art. 55). Citizens of 21 years or more elect the representatives for a five-year period on the basis of one representative for 80,000 inhabitants (Art. 56); citizens of 25 years or more elect Senators on the basis of one Senator for 200,000 inhabitants (Art. 57). National proportional representation is provided for the elections to the House of Representatives; regional proportional representation is used for the election of Senators. Time alone will show if the choice of proportional representation was wise in a country possessing such a variety of differentiated groups as Italy. The exercise of legislative power is not limited to the House of Representatives and the Senate. Half a million voters have the right to ask a referendum on any subject except the Budget, amnesties and the ratification of international treaties (Art. 75). The legislative function can be delegated by Parliament to the Government in exceptional cases, for specific aims and for a limited period only (Art. 76).

The President is elected for seven years by an assembly formed by the Houses of Parliament (House of Representatives and Senate) plus 55 delegates from the 19 regions in which Italy is historically divided. The election of Prof. Einaudi as first constitutional President of the Republic was at once a recognition of the merits of culture and an indication of the fundamental

moderation which animated the majority of Representatives, Senators and regional delegates. The presidential function does not imply the actual exercise of power; it assures the smooth working of the State machinery by advising Parliament, calling for elections or referenda, authorizing the Government to introduce Bills, appointing State officials (Art. 87), President of the Council of Ministers (Prime Minister), and, on his advice, the Ministers (Art. 92), etc. In relation to the Council of Ministers the most important provision is that it must enjoy the confidence of both the House of Representatives and the Senate (Art. 94).

Concerning the judiciary, the Constitution forbids all extraordinary or special Judges (Art. 102), stresses the independence of the courts from all other powers (Art. 104) and the immovability of the judges (Art. 107). Distinct from the judiciary is the constitutional court (not yet established) which should decide if laws and regulations passed by the State and the regions on the distribution of power within the State and between the State and the regions, on accusations against the President of the Republic and the Ministers (Art. 134) are constitutional. Italy's constitutional court looks rather like the U.S. Supreme Court and is resented by all those who fear or dislike American influence and American institutions.

The 20 Articles concerning the organization of the regions and of smaller administrative units (91 provinces and nearly 8,000 communes) have met with considerable opposition; doubts still exist whether regional self-government, guaranteed by the Constitution, will be realized. Art. 131 enumerates 19 regions, corresponding to geographical, historical and cultural divisions of Italy. Control over local police, local communications, health, vocational education, agriculture, etc., should be vested in the regions (Art. 197) acting through an elected regional council, an executive board chosen by the council and a chairman (Art. 121). So far partial self-government is enjoyed in various degrees by the two great islands of Sicily and Sardinia and by two smaller northern regions with a mixed population (Italian and French in Val d' Aosta, Italian and German in Alto Adige). Regional autonomy was an important element in the programme of three of the four coalition parties which have formed Italy's government during the last two years (Christian Democrats, Republicans and Democratic Socialists); it was opposed by the Communists and authoritarian Socialists. The position is now reversed and the main trend is more towards centralization than towards decentralization.

## VII

Following the approval of the new Constitution by the Constituent Assembly, new elections took place on 18 April 1948. By then considerable tension had developed in the country and Communism had become the main issue. The first important decision facing the citizens of the newly established Republic concerned both internal and external policies: should Italy adopt integral collectivism, or a return to undiluted private economy being out of the question, follow the path of mixed economy which has promoted the

prosperity of several contemporary democracies? Should Italy take sides with the United States or with the Soviet Union?

There is little doubt that the strength of Communism is due partly to the heritage of fascism which preached contempt and hatred for liberty and for democratic procedure. It is also largely rooted in the misery of a large percentage of the population: it has been estimated that at least one-fifth of the people do not have enough to eat. Before, during and after fascism, plans have been put forth for raising the standard of living. The truth is that of the three main factors of production, two (natural resources and capital) are scarce, and the third (labour) cannot by itself replace them. The raising of the standard of living could be achieved only through Italy's integration in a larger and expanding economy; through a process of agricultural and industrial specialization, producers could obtain better results in term of value of commodities, from the limited natural resources and capital available. However, this integration seems unlikely, in spite of the tenacious efforts of Sforza who of all contemporary European statesmen is the one with the widest vision. Lacking integration and specialization, Italy's already low standard of living is prevented from falling still lower only through American generosity which accounts to-day for about one-eighth of Italy's total income. Supporters of *laissez faire* simply ignore that the conditions under which it could bring results (and the first is international free trade) do not exist. Collectivists would like to forget that not only have railways and other utilities been nationalized but that the government owns or controls nine-tenths of all shipping, four-fifths of all banking activities, three-fourths of the heavy industries, etc... and that all nationalized branches of economy produce less than they cost. Reforms may affect the distribution of income; they will not affect the fundamental problem of raising production to the extent of bringing an improvement in the standard of living of the people.

This is true also of the long overdue agrarian reforms. By adding a couple of million more families to the number of those who enjoy economic independence the agrarian reforms would have a considerable and healthy influence on the class structure of the Italian population. However, it would not increase the income of the individual families by more than one-tenths—better than nothing, but not enough to change misery into even moderate prosperity.

In spite of economic difficulties, of the bitterness caused by war, civil war and foreign occupation, of the strife between parties, elections were relatively quiet. Twenty-five million citizens—three million more than had voted in 1946—voted. The position of the various parties was clear; so also was the position of the three great forces which weigh most heavily on Italy: the United States, the Soviet Union and the Papacy. Only a few (mostly ex-fascists who still believe in fascism) favoured a policy of 'splendid isolation', with political and economic autarchy.

For the great masses of the citizens, the alternative was to rely, politically and economically, on the United States or on the Soviet Union. Favourable to pro-American policy were the Christian Democrats who received 13 million

votes and their three allies—the Liberals, the Republicans, the Democratic Socialists who had split from the main Socialist Party at the beginning of 1947—who together received a little over three million votes.

The Communists (six million votes) and fellow-travelling Socialists (about two million votes) wanted a Russian-oriented policy.

The result of the elections was well received, particularly in the United States, as a victory for democracy. This view needs correction. Both Christian Democrats and Communists increased their voting strength between 1946 and 1948 by about one-half. Both are democrats in so far as they are interested in the welfare of a majority of the citizens (plenty of dictators have been 'democrats' in the past under this heading); neither of them is interested in the citizens' control over the government and in the freedom of vote, organization and expression, through which the control becomes effective. The parties which, in various measures, favour free representative institutions, for whom a parliamentary régime is good because power is in the hands of the freely elected representatives of the people, to whatever party they may belong, suffered a heavy setback. In a considerably larger House, they were reduced nearly by half! It is possible that the free institutions mentioned in the Constitution will survive as long as clericalism and collectivism balance each other. If the Communist Party tries to overthrow the Christian Democratic government, or if the Christian Democrats decide to disband the Communist organizations, the result can only be the re-establishment of the kind of authoritarian régime which came to an end just six years ago.

## SWITZERLAND—A FEDERAL AND NEUTRAL STATE IN THE HEART OF EUROPE

*By WILLIAM E. RAPPARD*

THIS brief study owes its origin to the sympathetic interest which the federal and neutral State of Switzerland is eliciting among the leaders of Indian opinion. This interest, apparent ever since the emancipation of their country, was first an imminent event and then an accomplished fact, and is assuredly as significant as it may at first glance seem surprising.

It is indeed surprising when one considers the almost infinite variety and the stupendous magnitude of the political problems which face the architects of the new India. It may seem more surprising still in view of the disparity and the contrasts between India and Switzerland. On the one hand, there is India, one of the largest commonwealths in the greatest of the continents, and on the other, Switzerland one of the smallest compartments in the miniature political beehive of Europe. On the one hand, there is one of the potentially richest and most powerful States in the world whose teeming millions have in the past often been suffering from want and even famine, and on the other, a country whose natural resources are almost nil, but whose standard of living is perhaps the highest in Europe and one of the highest in the world today. On the one hand, there is a recently liberated and united

conglomerate of vast states, whose people had long been subjected to the dual rule of national potentates and of a foreign Power, and, on the other hand, a federation of republics which, for over 500 years, have been self-governing and which, for at least three centuries, have enjoyed complete political sovereignty.

It is these very contrasts, however startling as they may be, which may explain the desire of enlightened Indians to become more familiar with the case of Switzerland. What nature and geography have lavishly bestowed upon India, has been denied to Switzerland, but what man and history have achieved for the tiny republic at the foot of the Alps, has been denied to the mighty seabound commonwealth on the banks of the Ganges. It is not surprising, therefore, that the two countries should find in their very differences reasons to be particularly interested in each other's fate and it is assuredly significant that the two traits in the national destiny of Switzerland, which have been stressed in Indian inquiries, are her constitutional federalism and her international neutrality.

Before considering these two political institutions, it would seem appropriate to state a few general facts relating to the material bases on which they are founded and without which they cannot be fully understood.

#### STATISTICAL PREFACE

Present-day Switzerland is a federal State, composed of 25 self-governing political units: 19 so-called cantons, and 6 autonomous sub-cantons.

The area of the country is 41,259,000 sq. kilometers and its population, according to the latest official estimate (1947) 4,547,000 inhabitants. The cantons, which are the products of history and not of any deliberate administrative measure, are as unequal in size as they are in population. The most extensive are the Grisons (7,113,500 sq. km.), Berne (6,883,500 sq. km.) and Valais (5,235,200 sq. km.). The smallest are Bâle-Ville (37,000 sq. km.), Zug (240,000 sq. km.) and Nidwald (274,800 sq. km.). In point of population the largest are Berne (772,500 inhabitants), Zurich (732,500) and Vaud (366,500), and the smallest Appenzell I.R. (13,400 inhabitants), Nidwald (18,500) and Obwald (21,500). There are also the following facts:

(1) Of the 25 cantonal units, 19 are predominantly of German stock. Their inhabitants have as their mother tongue a Germanic dialect. Five are predominantly French-speaking, and one is predominantly Italian-speaking. Of the total population of Switzerland, slightly over 3,000,000 (72.6 p.c.) speak a Germanic dialect, nearly 900,000 (20.7 p.c.) are French-speaking, and over 220,000 (5.2 p.c.) are Italian-speaking.

(2) Thirteen of the 25 cantonal units are predominantly Protestant and 12 Roman Catholic. Of the total population according to the last (1941) census, 2,457,242 inhabitants (57.6 p.c.) declared themselves Protestants and 1,724,205 (41.1 p.c.) Catholics. Less than 2 p.c. were listed as Jews, or adherents of some other creed.

Fortunately for the unity of the country, the linguistic and the confessional diversities do not follow the same lines. Thus, of the 19 German cantonal



units, 10 are predominantly Protestant and nine predominantly Catholic, while of the French and Italian-speaking cantons three are predominantly Protestant and three predominantly Catholic.

(3) According to the last census, 432 out of 1,000 gainfully employed inhabitants are engaged in manufacturing pursuits, 208 in agriculture, 100 in trade, banking and insurance, 74 in the liberal professions, 43 in the hotel industry and 38 in public transport.

These figures may suffice to show the essentially industrial and non-agricultural character of the Swiss people. In only six of the 25 cantonal units do the farmers outnumber the manufacturing population. Of the 238,481 agricultural holdings counted in 1939 (almost all farms of peasant proprietors), only 2,675, representing approximately less than 8 p.c. of the total cultivated area of the country, were of more than 75 acres each. The average Swiss farm has an area of between 25 and 35 acres.<sup>1</sup>

After this summary review of the main features of the Switzerland, let us now proceed with the consideration of our two special topics.

#### 1. THE FEDERAL STRUCTURE OF SWITZERLAND

For over 500 years, that is from her medieval origins in the thirteenth century to 1848, Switzerland was a very loose confederation of tiny sovereign States. The number of these members of the Swiss confederation increased from 3 in 1291 to 13 in 1513. It remained at that figure until 1798, when it reached 22.

These cantons were already extremely different in size and population and in economic and social structure. Some, such as Uri, Schwyz and Unterwalden, were poor and democratic pastoral communities. Others, such as Lucerne, Berne and Zurich, were city States, ruled by the local oligarchy, but all of them were self-governing republics which chose and controlled their own administrators.

The ties between these cantons were very loose. They were in fact bound together only by treaties of mutual protection, of collective security as we should call them today.<sup>2</sup> These treaties resembled bilateral or multi-lateral international conventions much more than a national constitution. In consequence, the Swiss confederation was more of a league of allied nations than a state. This was so in spite of a federal body called the Diet. As the cantons, which were equally represented on the Diet, were very jealous of their sovereign equality, the confederation as such was almost powerless when its members failed to agree among themselves.

The emergence of a true national State was the result of events in the first half of the nineteenth century. During the wars of the French Revolution, Switzerland was invaded, subdued and completely occupied for the first time

<sup>1</sup> The above statistical data has been taken from *Annuaire statistique de la Suisse* (ed. Birkhauser, Basle, latest edition, December, 1948), the useful Swiss Statistical Abstract. This annual publication may be recommended to all students of Switzerland as a mine of information concerning all aspects of the national life of the country.

<sup>2</sup> Cf. my little book entitled *Collective Security in Switzerland* (1921-1948). London, 1948.

in her history. Having become a satellite of France, she was first subjected in 1798, to a régime of centralization and unification, as alien to the traditions of the hitherto independent cantons as it was contrary to the wishes of the people. This régime proved so intolerable to the Swiss and so inconvenient to their French masters that Napoleon, as First Consul, put an end to it for the sake of peace and order. It was he who first transformed Switzerland into a fully federal State by proclaiming the so-called Act of Mediation in 1803.

This constitution was a measure of intelligent and moderate reaction in so far as it restored to the cantons a large part of the local autonomy of which they had been deprived in 1798. But it was still a measure of intelligent and moderate progress, when compared with the *ancient régime*. It confirmed the national State in its main prerogatives and endowed it with representative institutions. Thus the federal government was enabled to speak and to act on behalf of Switzerland as a whole.

The Act of Mediation, however promising in its main provisions, did not survive the rule of its dictatorial author. With the fall of Napoleon in 1814, the wave of general reaction which set in washed away, with many other liberal institutions, the constitution he had framed for his Alpine vassal state. Switzerland, freed from French overlordship, fell under the guidance, not to say the tutelage, of the victorious Allies. Under their influence and, in its least liberal aspects, with the ardent support of those national elements whom the French Revolution had deprived of their traditional privileges, a new constitution was drafted. It is known in Swiss history as the Pact of 1815.

Under the provisions of this reactionary measure, the federal structure of Switzerland was again emasculated. The ensuing confederation was not very much more than the alliance of sovereign cantons it had been before 1798. The results were a restoration of the former social inequalities within these cantons, renewed dissensions between them, and as an inevitable consequence, national impotence in the field of foreign relations.

The discontent of the Pact of 1815 engendered among the younger and more liberal Swiss patriots was at first contained by Allied pressure from without. After the July revolution of 1830 in Paris, which first revealed the frailty of the Holy Alliance in Europe, this popular discontent broke out in most of the Swiss cantons. It led to fundamental constitutional reforms in which the will of the common people asserted itself in unmistakable terms. This will tended towards more liberal democracy within the cantons and towards closer union between them.

In 1848, after prolonged debates throughout the country and in the federal Diet, a new national constitution was finally worked out. It was imposed on a recalcitrant minority of conservative cantons, which had been previously defeated in a brief civil war. After endorsement by a popular referendum, in which a majority of the cantons and a larger majority of the people voted in its favour, the constitution of 1848 was declared to be the law of the land.

It was this new fundamental law which made of Switzerland what it is today: a federal State, endowed with a national executive, called the Federal

Council, and with a bicameral Parliament on the American model, termed the Federal Assembly.

In one of the chambers of the latter, the Council of States, each canton is represented by two members; in the other, the National Council, the Swiss people as a whole are represented by a number of members directly elected in proportion to the population of their cantons. Thus of a total of 194 National Counsellors, Berne today has 33 members, Zurich 31 and Vaud 16. The least populous cantons, Appenzell I.R., Nidwald, Obwald and Uri, have only one each. The powers of both Houses of Parliament are strictly equal. All Bills may first be discussed by either, according to mutual convenience, and none may become law without the full concurrence of both.

The same principle of federal equality prevails in the executive branch of the Government, of which it is the first characteristic. Its seven Members, of whom no more than one may be chosen from any one canton, are elected for four years by the federal Parliament, sitting for the purpose as Federal Assembly under the chairmanship of the President of the National Council. Each of the members of the Cabinet is head of one Ministry, but all Government Bills are presented on behalf of the Federal Council as a whole. This Council is unlike most foreign Cabinets in three more significant respects.

First, it has no real chief. It sits under the chairmanship of each of its members in turn. One after the other they are, each for the duration of an annual term, elected President by the Federal Assembly. Although the incumbent enjoys the title of President of the Confederation, he has no special authority over his colleagues.

Secondly, the Federal Council, although elected by Parliament, does not resign on an adverse vote by the Legislature. If any of the Bills it proposes is defeated in either of the Houses, the measure is withdrawn or amended. In no case does its rejection, even when repeated, necessarily involve any individual or collective resignations on the part of the Cabinet. It is this peculiar feature of the constitution of Switzerland that explains the extraordinary governmental stability which has characterized her political evolution. For the last century, there have been no more than 63 Federal Counsellors. As there are always seven in office at the same time, this implies that the average term of service of members of the Swiss Government has been of nine years.

And, thirdly, characteristic of the Federal Council in recent years has been its mixed political composition. For the first 43 years of the existence, all its members belonged to the party which had established the new federal State, but since 1891 first one, then two, and now four, belong to the other main parties. Not only is the Federal Council, therefore, a Coalition government, but it is one over which no political group has any decisive control.

Of the four parties represented in the executive today, the Radicals hold three seats, the Catholics two and the Peasants and the Socialists one each. The Radicals owe their strong, although no longer dominant, position to their past traditions more than to their present numbers. Of the 194 members of the National Council there are today 52 Radicals, 48 Socialists, 44 Catholic Conservatives and 21 members of the Peasant Party. None of the other

groups have more than eight members. The Communist group numbers but seven, that is less than 4 per cent. of the seats in the larger branch of the Legislature. As this House is elected on the basis of proportional representation, this fraction may be taken roughly as being that of the electorate.

Although it has only an indirect bearing on Switzerland's federal structure, a word must be added concerning the institutions of so-called direct democracy, which obtain both in the national and in the cantonal systems of government. All constitutional amendments must be submitted to the voters at the polls after consideration by Parliament. They come into force only on securing the approval of the majority of voters both in the country as a whole and in a majority of cantons. Besides this so-called compulsory constitutional referendum, there exists also since 1874 an institution known as the optional legislative referendum. No general law comes into force until three months after its adoption by Parliament and then only if, during this period, 30,000 voters have not demanded that it be submitted to the people at the polls. When the referendum is thus called for on a matter of legislative, and not of constitutional importance, the decision rests with the people only, irrespective of the cantons. The institution of the so-called popular initiative exists only for amendments to the constitution. As revised in 1891 the constitution provides that any 50,000 citizens may demand that one or several of its articles be submitted to the referendum, irrespective of the will of Parliament.

These institutions have made of Switzerland a more truly democratic country than almost any other contemporary State.<sup>1</sup> The constitutional provisions relating to the initiative and referendum are very far from having remained a dead letter. Since 1848, draft amendments to the federal constitution have been submitted to the people on 96 occasions. On 48, that is on exactly half the number of these occasions, the popular decision has been negative. This may suffice to show both that the referendum is an effective weapon of democracy and undoubtedly also that the people are on the whole more conservative in their political tastes than their elected representatives.

Such, in the barest outline, is the national government of Switzerland. That the country is a federal and not a unitary State is a result less of these institutions than of the large measure of autonomy still enjoyed by the 25 cantons. Each of them has its own Government, its own Parliament and its legislative and administrative domain in which the will of its own people is supreme. The local Governments vary from canton to canton, although they all follow the general pattern of the federal institutions. This is due not to any pressure, or even influence, that might have been exercised by the national or the local authorities. It is due on the contrary to the fact that the Federal Council was in 1848 modelled on the corresponding so-called State or Government Coun-

<sup>1</sup> This statement is bound to be challenged by all foreign friends of women's suffrage. The fact is that this novel institution has not yet found favour in Switzerland, that is primarily with the women of the country. Although I regret Switzerland's tardiness in adopting it, I firmly maintain my contention as to the reality of her democracy. If a country's democracy is measured by the degree to which its government conforms to the will of its people, I doubt very much whether any other contemporary state is as fully democratic as Switzerland.

cils of the cantons. In both there are no Prime Ministers but only co-equal colleagues ; all legislative measures are submitted for parliamentary approval by the Cabinets collectively; there are no votes of censure leading to individual or collective resignations. The main differences between the federal and the cantonal institutions on this point are :

1) Whereas the Federal Council has always been made up of seven members, one cantonal Government today has 11 members, two have nine and nine have only five.

2) Whereas the Federal Council is elected by the Federal Parliament, all the cantonal Governments are today elected by the people. In five small cantons, the election is held at the so-called *Landsgemeinde*, that is at an annual open-air meeting of all the voters. In the other 20, the election is organized by secret ballot.

3) Whereas the Chairman of the Federal Council is elected by Parliament, this is true only in 17 cantons. In the other eight, the cantonal executive chooses its own chairman.

4) Whereas the term of office of the Federal Council is of four years, it is of six in one canton, of five in another, of three in seven, of two in one, of one in one, and of four in the other 14.

As regards the legislative branch of the Government, the chief difference between the federal and the cantonal States resides in the fact that all the Parliaments of the latter have only one chamber. In fact, when in 1848 a bicameral federal legislature was proposed, it was at first fiercely combated as an institution utterly alien to all Swiss traditions. It owes its origin, in Switzerland as in the United States, to the necessity of placating both the majority, who would have preferred a single popular chamber and the minority who would not hear of the complete abandonment of the traditional principle of the equality of the component states.

In order to understand the basis of the federal structure of Switzerland, it is both necessary and sufficient to quote Article 3 of the Constitution of 1848, which has remained unamended until the present day. It reads as follows:

The cantons are sovereign in so far as their sovereignty is not limited by the federal constitution. As such, they enjoy all the rights which are not delegated to the federal authority.

Although this clause had never been revised, a progressive delegation of rights has, ever since its adoption, tended to limit the sovereignty of the cantons and to extend the jurisdiction of the federal State. In 1848, the latter was, roughly speaking, supreme only in foreign policy, national defence, postal and monetary matters, indirect taxes and in juridical conflicts between the cantons themselves and the cantons and the Confederation. Today, its competence has been very appreciably widened. It includes, besides the whole sphere of civil and criminal law, legislation concerning such various matters as the promotion of agriculture, conservation of natural resources, hydraulic power, industry, money and banks, economic and social policy in

general, the regulation of liquor traffic, railways, navigation, cycle and motor traffic aviation, and several other matters of less importance. The federal government has even, under the stress of war, invaded the field of direct taxation, although its measures in this direction meet with the stubborn opposition of the cantons and of the taxpayers themselves.

What remains to the cantons is, however, far from negligible. There is, first, almost the whole field of public instruction, particularly important in view of the prevailing linguistic and confessional diversities. There are, secondly, the equally wide field of roads and local public works, and the police and justice in the first instance. But, perhaps most important of all, there remains thirdly the right of the voters in every canton to elect their own magistrates. Besides minimizing their contacts with federal officialdom, these rights tend to give them the direct sensation of self-government, which is, of course, much more immediately felt in local than in federal matters.

It would naturally take much more space than is available here to describe and explain the complex machinery of Swiss federal, cantonal and communal governments and their inter-relationship. Literature on all these matters is abundant and readily available to all readers cognizant of German or French<sup>1</sup>.

Here we must be content to note that the whole machinery of government in Switzerland, intricate as it is and real as remains the possibility of friction between its various organs, functions to the general satisfaction of all concerned. All Swiss instinctively feel, and I believe no disinterested student will deny, that it is well adapted to the needs, tastes and traditions of a well educated, but extremely diverse population. With more centralization, there might be more economy and more efficiency, but there would certainly be less freedom and contentment. With more cantonal sovereignty, on the other hand, it is probable that the main problems of administration, which the technical progress and especially the wars of our age tend ever more to make national in scope, would be less easily handled and less satisfactorily solved.

What is certain is that the trend towards ever more centralization, which has been noticeable throughout the last 100 years, has conformed to the will of the majority, as constantly shown at the polls. Of course, no one can assert the necessary identity of the people's wishes with their true needs. But is it not the essence of democracy that the people are the sole judges of these needs and that they, therefore, have the undeniable right even to be wrong?

## II. THE NEUTRAL STATUS OF SWITZERLAND

When one considers the size and geographical position of Switzerland and when one recalls the ever-recurring wars which her immediate mighty neighbours have since the Middle Ages been constantly waging against each other on her frontiers, one cannot help wondering how and why she has been able, throughout the generations, to maintain her territorial integrity and her political independence.

<sup>1</sup> Cf. my *Government of Switzerland*, New York, 1936, and the there mentioned bibliography.

The answer to these questions is not simple. No single consideration can possibly explain what is in fact little short of an historical miracle.

The Alpine habitat of a hardy race of mountaineers, far removed from the medieval centres of urban civilization and political power, may well have at first been a prime explanatory factor. This habitat, undoubtedly, favoured and fired the passionate love of independence which characterizes the Swiss ever since their first appearance on the threshold of history. Having early adopted and generally practised the principle of universal military service, the natives of the Alpine republics, as trained and organized armed citizens, were soon known, and in the fourteenth and fifteenth centuries often showed themselves to be prepared valiantly and successfully to defend their homes against the onslaughts of feudal lords. Later on, as willing and redoubtable mercenaries, their friendship was long courted and their hostility feared by all neighbouring princes. Moreover, their country, protected by its high mountains and its deep and narrow valleys, was devoid of all natural resources and, until the eighteenth century, of any appreciable accumulated treasure. As an object of conquest, therefore, it presented far more perils than attractions.

Thus military and civil traditions, natural poverty and topography—all these combined to discourage would-be invaders. It was both as an additional safeguard against foreign perils and also, perhaps mainly, as a protection against internal dissensions, that this early political principle of armed neutrality emerged from Swiss experience.

Various historians, particularly Paul Schweizer in his monumental *History of Swiss Neutrality*,<sup>1</sup> have traced back the first appearance of the principle to the wars and international disturbances of the fifteenth century. As early as 1481, Nicolas de Flue, a saintly mediator who successfully reconciled the urban and the rural cantons in their dispute over the spoils won in their common victory over Charles the Bold, Duke of Burgundy, is credited with the oft-quoted exhortation: 'Do not mix in the quarrels of others.'

Whether or not the saying be authentic, it certainly expressed the feelings of the high-minded patriots of this age. It shows how, even at that early period, neutrality was prized as a policy which made for internal peace even more than for external security.

The wisdom, as well as the vital importance, of the policy became still more apparent in the sixteenth and seventeenth centuries. As the Reformation of Luther, Calvin and Zwingli had split in two the peoples of Europe, so had it divided the Swiss cantons. How could the unity and the independence of the country be preserved if Catholics and Protestants within its borders were to side with their respective co-religionists without? When the bitter animosities of the latter broke out into open warfare, as they soon did, it be-

<sup>1</sup> Paul Schweizer, *Geschichte der schweizerischen Neutralität*. Frauenfeld, 1895, 1032 pp. cf. also Edgar Bonjour, *Swiss Neutrality. Its History and Meaning*, London, 1946, and Camille Gorge, *La neutralité helvétique*, Zurich, 1947.

<sup>2</sup> Schweizer, *op. cit.* p. 174.

came more and more apparent that for Switzerland to maintain, or to abandon, neutrality was no less than a question of to be or not to be as a nation.

Thus, throughout the whole Thirty Years' War, which from 1618 to 1648 laid waste all the surrounding lands, it was only by deliberately and laboriously practising a policy of neutrality that Switzerland avoided invasion and disruption.

That war, to be sure, may be regarded as one phase of the secular hostility between the ruling houses of Austria and France, but it was also a war of religion. Anyway, it was generally held to be such in Switzerland, as is apparent from all contemporary documents. To show it, let us quote but one characteristic statement. Already in 1610, when both sides were preparing for the coming struggle, the Protestant town of Strasbourg, in the neighbouring Alsace, invited Zurich and Berne to join the League formed by the South German princes and cities for the defence of the new faith. The four leading Protestant cantons, having considered the request at a conference called for the purpose on 26 April 1610, replied that, in spite of their deep sympathy for the common cause, 'they could not be parties to an union for mutual effective assistance... Their Catholic confederates would not fail to view such an alliance with grave misgiving and would be induced thereby to bind themselves to the Austrian or other Papal Powers. It would thus not only lead to internal discord, but would even prejudice the Protestant cause. On the other hand, the neutrality of the Protestant confederates would ensure the neutrality of the Catholics.'<sup>1</sup>

The attitude of neutrality which the Swiss cantons, in spite of constant threats and cajolements from both belligerents, succeeded in maintaining throughout the war, brought its reward at the peace settlement of 1648. Although the cantons were no party to that settlement, the signatory Powers expressly provided therein for the full independence of Switzerland. This independence, which Switzerland had already in fact enjoyed since the treaty of Basle of 1499, had never previously been internationally sanctioned by *de jure* recognition.

Such were the historical origins of the policy which has been followed ever since. After one brief eclipse, during the period of the Napoleonic hegemony at the beginning of the nineteenth century, it was re-established, recognized and declared to be 'in the true interests of Europe' by the signatories of the Treaty of Vienna in 1815.

As is well known, Swiss neutrality was scrupulously maintained throughout the last two world wars. It is hardly surprising, therefore, that, not only in the minds of all Swiss statesmen, but also in the consciousness of the Swiss people, the policy of the permanent neutrality of their country should today enjoy a prestige such as no politician and no party could even question it, except at the peril of their political existence.

In the course of its century-old history, that policy has of course often

<sup>1</sup> *Die eidgenössischen Abschiede aus dem Zeitraume von 1587 bis 1617*, vol. V, Berne, 1872 p. 982.



been threatened by pressure from without. But it has only once been seriously challenged from within.

When the League of Nations was founded in 1919, it was felt by many enlightened Swiss that their country could no longer remain aloof from what was held to be an honest and promising effort to put an end to the scourge of war. If it was necessary, in order to attain that supreme goal, that all peace loving nations should form themselves into a defensive alliance against any would-be aggressor, how could Switzerland, it was asked by some, refuse her co-operation? Were not the ideals of the League of Nations a projection on the world plane of her own national traditions of federalism and collective security? Had not Switzerland's own national security been, for centuries, based on similar principles of inter-cantonal co-operation? Was not the foundation of the League of Nations perhaps the first step leading towards the establishment of a pacific world federation?

The optimism displayed by such idealists received a first shock when it became evident that the United States was not prepared to lend its effective support to an attempt which would perhaps not have even been considered, had it not been for the advocacy of their own President. It was then that Switzerland sought and obtained from the Council of the League the authorization to join the new institution, while retaining her own (military) neutrality.

In the second phase of the League's history, when it became apparent that due to her limited membership and to the lack of real international solidarity, the security she offered her members was purely illusory, Switzerland sought and obtained to be relieved even from the duties of economic sanctions which she had at first been prepared to assume.

The end of the World War II, the dissolution of the League of Nations and the foundation of the United Nations found Switzerland more firmly attached than ever to her traditional neutrality. Had she not been spared the carnage and devastation, as well as the horrors of foreign invasion, occupation and domination from 1939 to 1945, as she had already been spared them from 1914 to 1918? And was not this almost incredible immunity due at least in part to the fact that all belligerents knew that she would fight only if attacked, but that she would fight to the end against any aggressor? Collective security, as provided for in the Covenant of the League of Nations, had failed absolutely. In a time of crisis, all the member States of the League, and not Switzerland alone, had subordinated the obligations of international solidarity to the commands of national self-interest. But, thanks to the previous recognition of her special position, Switzerland could witness this tragedy without remorse, if not without deep regret.

She was the less tempted to apply for the membership of the United Nations, as the Charter adopted in San Francisco by the victorious Allies before the end of hostilities appeared to offer far less attractions and far more dangers than had the Covenant of the League a quarter of a century before. Less attractions because, in view of the voting provisions of the so-called Security Council, it did not even hold out the promise of collective security against

the only real peril, that of Great Power aggression. More dangers, in that it seemed deliberately to subordinate the rights and liberties of small States to the will of the great, and expressly to exclude any possibility of the former's neutrality.

Always prepared and indeed anxious to collaborate in all promising international activities, Switzerland, therefore, remains faithful to the policy of non-intervention in the political antagonism of the Great Powers. This policy she has steadfastly pursued for the last four centuries and has less grounds than ever to abandon today. To those who would deem this policy unwise, she has but to recall the blessings which internal unity and external security have brought her ever since the Thirty Years' War. To those who would criticize it as ignoble, she has but to point to her past record. What has the world lost and what has it gained as a result of Switzerland's neutrality? It is with due modesty, but with complete confidence, that the home of the International Red Cross ventures to submit its balance-sheet to all impartial observers.

There is one small country in the heart of Europe today which is the haven of political freedom, of social peace and of economic prosperity. Far from needing, or seeking, Marshall Aid, it has bestowed gifts and extended credits to its neighbours to a degree out of all proportions to its limited population and resources. Its inhabitants have indeed no reason to pride themselves on their own achievements but they would be singularly lacking in gratitude if they failed to recognize the debt they owe to their forefathers.

It is the wisdom, self-discipline and foresight of those who have gone before, that have endowed their Alpine homeland with its federal structure and its permanent neutrality. It is, therefore, in a very large measure to their ancestors that the present generation of the Swiss owe and attribute the benefits of their present privileged position. It is their sacred duty, as it is their firm resolve, to exert their best efforts to defend these institutions and to transmit them unimpaired to their offspring. But, far from wishing to preserve these institutions and their ensuing benefits for themselves, they are always happy to discuss the former and to share the latter with all other peace and freedom-loving nations.

## FINANCING THE DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

By A. S. G. HOAR

BEFORE considering the significance of the World Bank in relation to financing the development of under-developed countries, I think it will be advisable to refer briefly to the origin and purposes of the Bank and its methods of operation.

The International Bank was established as a result of the Bretton Woods Conference in 1944. It was realized that after the war there would be a great demand for capital, both to reconstruct the means of production damaged

and destroyed as a result of the war and also to continue the development of the relatively under-developed parts of the world. In a less disillusioned and demoralized world, private capital would have been readily available through ordinary investment channels to meet this demand, but it was clear by 1944 that, after such an upheaval as World War II, which came in the wake of the unhappy experiences of foreign investors in the 1930s, private investors would not be willing to undertake such tasks. A special institution was therefore necessary to :

- (a) mobilize private investor's resources and use them for the reconstruction of industry and agriculture in war-devastated countries and to speed up the development of other countries;
- (b) give private investors some sort of concrete assurance as to the safety of their capital; and
- (c) gradually restore the confidence which would enable the activities of the Bank eventually to be supplemented by those of private foreign investment. The institution that came to be established was the International Bank.

The Articles of Agreement drafted at Bretton Woods laid down in detail the principles which were to guide the Bank's lending. These were (1) to assist in the reconstruction of economies destroyed or disrupted as a result of the war and in the development of the less developed countries; (2) to promote private investment whenever possible and to supplement it when necessary; and (3) to seek to promote international trade and to raise the levels of productivity, standards of living and conditions of labour throughout the world.

It was also laid down that the Bank must deal with the most useful and urgent projects first, that it must be satisfied that the borrower would be unable to obtain the loans elsewhere on reasonable terms, and that he will be in a position to meet his obligations under the loan.

#### CAPITAL STRUCTURE OF THE BANK

The shareholders of the Bank are the 50 nations which subscribed the total capital of about 10 billion, their subscription being in proportion to their wealth and population. There are three important points I wish to make on the subject of these capital subscriptions:

First, the purpose of these subscriptions is to provide a modest amount of cash and to furnish guarantees for the Bank's own obligations.

Secondly, the Bank is to provide the member Governments which have paid up cash up to 20% of their subscriptions—2% in the shape of gold, or U.S. dollars, and 18% in the currencies of the respective member countries. The 18% monies can only be used to make loans if the member concerned gives specific consent.

Thirdly, the remaining 80% of the capital subscriptions is not paid up and constitutes a guarantee fund available, not for lending but to meet the Bank's obligations if and as required.

Clearly, the Bank cannot make big loans without further resources beyond

the cash subscriptions of its members. These it plans to obtain from the investing public by the offer of bond issues. Because of the special position of the U.S.A. as a lender in the world today, it must be expected that these issues will for the time being be made almost entirely on the American market. (As time goes on, however, it is hoped that the Bank will be able to draw also on the capital markets of other countries.)

The Bank made its first appeal to the American investing public in July 1947. This appeal was satisfactorily received.

The offer consisted of \$100 million in 10-year 2½% bonds and of \$150 million in 25-year 3% bonds, and the bonds are widely held by the American investing public and enjoy good standing. The 3% bonds are currently quoted slightly over par.

The only other issue so far made by the Bank was one of 2½% 6-year bonds, to the amount of 17 million Swiss francs, which were undertaken by the Bank for international settlements in May 1948.

#### IMPORTANCE OF A SOUND LOAN PORTFOLIO

From what I have said, it will be evident that it is a question not only of adherence to the principles which were laid down in 1944, but also of the practical matter of creating conditions which will enable the continuation of its lending programme, which make it of the highest importance that the Bank shall be able to attract investments in view of the fact that its loans

- (a) are sound in themselves, and
- (b) are made to borrowers which inspire the confidence in their handling of their economic and financial affairs.

Before making any loan, the Bank conducts thorough investigations, not only of the individual project concerned, but also of the economic and financial condition of the country within which it is located. It is not content with documentary evidence but sends missions to examine both technical and general problems at first hand. The Bank is not prepared to lend, unless it is satisfied:

- (a) that the overall economy of the borrowing country is soundly operated or, if certain difficulties exist, that both policy and practice give grounds for confidence that satisfactory conditions will be created at an early date;
- (b) that the overall plans for reconstructing or developing the economy are conceived and are being worked out on lines which will reinforce and not upset the basic soundness of the economy;
- (c) that the project or projects within the larger programme which the Bank is asked to finance have been technically and meticulously prepared and are financially and economically justified.

#### CONSEQUENCES OF THE BANK'S PRACTICE

It will be evident from what I have said that it is not easy to get a loan from the World Bank. Moreover, it can generally be expected that the process

of establishing whether a proposed loan meets the Bank's requirements may take some considerable time. Quite apart from these points, it has been a source of criticism of the Bank from time to time that its rigid requirements do not permit it to finance schemes which are attractive on social or political grounds. Do these requirements of the World Bank, therefore, conflict with the interests of an under-developed country which wishes to borrow from it? I would submit that the answer is 'No,' because:

First financial stability and suppleness in the productive and distributory machine are essential pre-requisites of development on any scale. So far as *private* development is concerned, the entrepreneur will not launch any project, unless he can feel confident that conditions exist which will permit his enterprise to operate effectively and profitably. This applies equally whether one considers the provision of capital from within or without the country concerned. So far as *public* development goes, costs must be covered from budgetary reserves, or revenues, or from the savings of the people. If conditions are such that neither the resources of the public authority, nor its credit can provide the necessary funds—or if lack of confidence in the financial management of the country has dried up the source of investment funds—then limits are imposed beyond which development cannot proceed without dangerous strains being imposed upon the whole economy.

It is of primary importance, therefore, that a developing country keeps a constantly critical eye on the soundness of its budget structure; on the existence of a healthy and stable relationship between wages and prices; on the effective utilization of its available resources of materials, transport and power; on the flow of goods within its borders, and the volume and character of exports and imports passing across them; on the development of its balance of payments—and on all the diverse aspects of its national life which reflect the health of its economy.

Now this is an imperfect world and few development countries can be satisfied with all that they see within their borders. The International Bank is not so unrealistic as to expect to find perfection, but what it *does* expect to find is a realistic appraisal of facts and a determined and intelligent policy to move steadily forward to set right those features which are hindering the healthy evolution of the economy.

Secondly, all capital development under any kind of economic system means a sacrifice of the present to the future. This is abundantly evident at the present time in the U. K., where the need to re-equip industry on a large-scale presses directly on the standard of living of the people. Where the standard of living is low, this sacrifice can be called for only for those projects which are firmly proved to be of primary economic value for the community as a whole, and able to produce relatively quick results. Equally clearly, the successful development and operation of the chosen projects must not be jeopardized by the competition for foreign exchange, local capital, raw materials or skills, of less valuable or more slowly developing schemes. First things must be put first and kept there. A country setting out to develop its economy will normally commence with thorough surveys of its actual

capacity in terms of natural and human resources, and then, based on the results of those surveys, to determine the *direction* of its development. In general, economic development must be conceived as a continuous and cumulative process in which each increase in capitalization will lead to a further increase. Moreover, it must be synchronized, so that the various aspects of the economy—agriculture, industry and public utilities—will develop in the right relation one to another. The *pace* of development should be recognized as being determined by the availability of raw materials, equipment and skills, and by the capacity of the country to raise capital, internally and externally, without inflation and strain on the balance of payments.

Thirdly, it follows from the general arguments I have just given, as well as from that of technical common sense, that no commitment should be entered into for any project until it has been proved to (1) fit into the general pattern of sound development, (2) be necessary; (3) be feasible; (4) be capable of doing the job within the time limit within which results are essential and more satisfactorily than any alternative; and (5) it has been related to other competing and complementary projects; and (6) a balance has been struck and evaluated as to the benefits of employing competing consultants, contractors, engineers etc.

#### SOUNDNESS OF THE INTERNATIONAL BANK'S APPROACH

The International Bank's careful approach to loans for development purposes, thus, is appropriate not only to its own function, which is to serve all its members, but also to the needs of each particular member. It is not easy for a developing country to be 'correct' in its approach to these matters, because sentiment and politics always pull towards seductive short cuts which are not always wise.

It is particularly valuable, therefore, for the Bank's objective eye to pass the proposed development projects. Soundness in the long run is an important thing, and the Bank is in a special position to co-operate with its members in finding the right path to follow and it looks forward to increasing collaboration with its members in the achievement of the purposes for which it was founded.

## THE FORMER GERMAN FOREIGN SERVICE

By DR. CURT PRUFER

AMONG the foreign services of the so-called Great Powers, that of pre-war Germany was the youngest. From the war in 1871 between France on the one hand, and the North German Confederation, under the leadership of Prussia, and the states of South Germany led by Bavaria, on the other, emerged the German Empire, the Reich.

The Empire, a Federal State, chose as its political centre the capital of Prussia, Berlin, where a number of new Imperial Ministries, the 'Reichsministerien' were created, one of them being the Ministry of External Affairs, the 'Auswärtiges Amt' the German translation of the English term 'Foreign Office'.

Besides this imperial centre, whence the Reich's foreign relations were directed, not only the bigger member states of the Reich, like Bavaria and Saxony, but also the small city republics, like Hamburg and even the tiny Lubeck, maintained their own Foreign ministries and, to a certain extent, their own foreign services.

The stubborn individualism of the German states led to the absurd anomaly that, until the end of World War I, two German diplomatic envoys were accredited to the Holy See: A Prussian Minister and his Bavarian colleague. The Reich, at the same time, was represented by an ambassador at the Royal Italian Court. The appointment of three accredited representatives helped to augment the already existing jealousies and confusion.

Although the Bavarian Foreign Service outside Germany was suppressed at the end of World War I, until Hitler's rise to power, several republican German states kept their foreign services for internal use, sending diplomatic envoys, with the title of Minister Plenipotentiary, to Berlin.

The result of this multiple representations in the last Century was that a foreign Power, interested in decentralization of Germany, took advantage of the trait of super-individualism in German character by sending, besides an ambassador to Berlin, a special diplomatic representative to Munich, where—this is also significant—he was warmly welcomed.

These facts, incidentally, show how very unpopular and contrary to German feeling and tradition Hitler's attempts at centralization were, especially his attempt to overthrow the ancient political structures and particularities. It might perhaps be interesting for future students of history to examine the Hitler phenomenon in the light of the fact that this self-styled prototype of a German was, by birth and descent, a very dubious specimen of that race.

To come back to our theme, the creation of the first German Foreign Service, Bismarck, its founder was in every way the right man for such a task. He united in his person all the necessary elements for the organization of a service capable of handling foreign politics under his own guidance. As Prime Minister of Prussia and a former parliamentarian, he had ample experience in dealing with Parliaments and Cabinets and, having been himself a diplomat in some of the most important European capitals like St. Petersburg and Paris, he knew everything related to the requirements of the diplomatic profession. The highest qualities of a statesman and a diplomat were combined in his powerful personality to an unusual degree.

No wonder, therefore, that the Berlin Foreign Office during its first period of existence showed all the characteristics of this great man. It was made *by* him and *for* him. Its members were more or less his personal staff. As Chancellor and Prime Minister of the Reich, he was, according to the constitution, also responsible for Germany's foreign affairs. In the Foreign Office, that modest two-storied building in Wilhelmstrasse 76, a Secretary of State, who was not a Cabinet Minister, and an Under-Secretary were his immediate subordinates and collaborators.

The Staff of the Foreign Office was small.

Department No I dealt (in its most important A-section) with politics, press work and diplomatic personnel, and (in its B-section) with consular matters and administration. The department was run with not more than ten to twelve officers.

Department No. II dealt with foreign trade and commercial treaties; and Department No. III with legal matters.

A specialist for protocol questions was attached to the political department, another for German cultural values in foreign countries to Department No. I.B.

The entire Foreign Office consisted of about 20 officers, who were aided by small, but very efficient clerical staff, selected from the trained staff of other Ministries of all German states, chiefly the Ministries of Justice, and, in their lower grades, from the non-commissioned officers of the army and the navy. No woman assistants, typists or stenographers were employed. All documents were written and copied out by hand. Even when typewriting machines were introduced elsewhere, e.g., in commerce and other ministries, this lengthy procedure was still in use at the Wilhelmstrasse. Safety through secrecy was the chief principle of the service.

The higher staff was recruited, more or less exclusively, as in most other European foreign services of that period, from the aristocracy of birth and wealth, and from those families in which Government service had become more or less a hereditary monopoly. Salaries were totally insufficient. Beginners, attaches, were not paid at all. This was a deliberate part of the system.

Members of this most important of all Government services—as the foreign service was considered—had to be completely independent financially and also free from all material restraints or ambitions. It was a great honour to belong to the foreign service. A man who would have chosen this career in order to earn his living as in any other profession, would not only have been sadly disappointed, but also generally looked upon as unfit for it.

Candidates for the service—only a few were selected annually—had to give full satisfaction with regard to the families they came from and were related to by marriage, or descent.

It may be worth mentioning that foreign or Jewish relationship was not regarded as a serious obstacle in the way of a German diplomat of that time. In the cosmopolitan, aristocratic circles of the Wilhelmstrasse, anti-Semitism was looked upon as a plebeian feeling born of repulsive envy and greedy inferiority.

Attaches, after an experience of at least two years in the ministry or a mission abroad, had to pass a rather difficult examination in law, history, political economy and languages. A perfect knowledge of French and at least one other foreign language was required.

The diplomatic branch was in theory separated from the consular branch. In practice, however, a considerable number of consular officers found their way into the diplomatic career. The unfortunate Herr von Neurath f.i., the last Foreign Minister before Herr von Ribbentrop, came from the consular service.



The service abroad was built up on the same principles of parsimoniousness and high standard of professional honour and pride.

It is significant that during that first period of German diplomatic history, which lasted until Bismarck's resignation, no outstanding talents appeared in the German diplomatic world, except of course, his clandestine opponent, the Gray Eminence of the Auswärtige Amt, Herr von Holstein. All the others were of average mental stature, clever, faithful, highly cultivated and learned helpers of a great master. Bismarck and his system did not permit the development of a type of diplomat of higher capabilities than that.

But all these men, the Hatzfeldt, Schlozer, Marschall, Bernstorff, including their chief, had one immense praiseworthy merit, the maintenance of peace. It ought never to be forgotten that from the end of the Franco-German war in 1871 till Bismarck's dismissal, i.e. for more than 20 years, the Reich, though overwhelmingly strong on the Continent, was not involved in any war. This undeniable fact does hardly support the theory of the eternal German aggressiveness.

After Bismarck disappeared from the political scene, no great changes took place, either in the organization and the ways and manners, or in the spirit of the foreign service. And under the young Emperor William II, even the foreign policy changed and degenerated only slowly and hesitatingly.

William II was in no way the cunning, ruthless and bellicose plotter, as hostile propaganda has pictured him. Indeed he was just the opposite. He was by nature shy, even timid, irresolute and wavering. Like many men of that type, especially when they are born into high positions, which require a great strength of character, he tried to compensate for his own deficiency by behaving in a theatrical, emphatically self-confident manner. The Emperor's case was aggravated by the fact that he was born with a bodily defect, a short and weak arm. Nobody who knew the Kaiser had any doubt that all his brilliant oratory was nothing but fireworks, stage-effect thundering without much real political meaning. When he spoke of his 'mailed fist' and 'shining armour', he never meant them seriously. He simply amused himself in the rôle of the 'conquering hero', without having in the least either the talent or the will to play that rôle.

This fact, however, remains to his credit, that during his reign Bismarck's policy of peace in Europe continued for 20 more years and, when in 1914 World War I broke out, it was certainly not planned by German diplomacy or the Emperor.

I myself, then on leave in Berlin from Egypt, remember, how deeply depressed and grieved the atmosphere in the Foreign Office was. There was everywhere among my colleagues this firm conviction: 'We did not want war. Now that it is there, we shall fight it as well as we can.' It was exactly as England's war-time Prime Minister, Mr. Lloyd George, stated some time after the war was over. Speaking on the question of war guilt he said 'We all slid into the war, without knowing it.'

Under Bismarck's successors, the narrow frame of the Foreign Ministry's organization remained nearly untouched. The war, of course, with its many new problems, involved expansion in every respect. The defeat of Germany, the downfall of the monarchy and the foundation of the German Republic brought great changes also in the Wilhelmstrasse. Democracy invaded the old house in a somewhat stormy manner. The whole 'antiquated' organization was overthrown and hastily modelled on a pattern which their authors believed to be democratic and modern. Quantity was put in the place of quality. The old, rather efficient, three Departments grew from one day to the other into twelve, where nobody exactly knew what his business was. The staff of officers at home and abroad multiplied accordingly. The scanty budget of the old times became a huge expenditure. This whole unhealthy growth was in inverse proportion to Germany's political weight and needs at that time.

It was, of course, impossible to supply a sufficient number of trained officers for all the newly created posts. This situation offered a splendid occasion for all the sons, friends and nephews of politicians whose parties recently had come into power, to get well paid posts which, in their opinion, did not require any special knowledge. The result was disastrous, and all the more disastrous as it could not be hushed up by the same methods, by which it was sometimes possible to hide from the critical public eye the shameful failures in Home affairs. Blunders in foreign policy were exposed to the uncontrollable scorn and ridicule of the whole world.

It, therefore, did not last very long. The amateurs of the foreign service became thoroughly disenchanted of their illusions. One after the other, they disappeared. Shortly after the war, of the then existing seven German embassies, only five were in the hands of outsiders; three years later, not a single one. One of the rare good innovations created in these impetuous days was the formal abolition of the differentiation between diplomatic and consular service.

The Foreign Office itself also recovered quickly from these disturbances of democratic infancy. It was under the aegis of a Social Democrat Chancellor and a Social Democrat Foreign Minister, that a reorganization of the foreign service was brought about, which marked a decisive step towards real democratic progress.

This so-called Schüler Reform, named after the Director of the Personnel Department, Dr. Schüler, provided the Foreign Office with 10 Departments which gradually, under Schüler's successors, were reduced to eight which were: three political departments, grouped in accordance with the territorial principle, and the departments having to deal with personnel and administration, with economics, legal questions, cultural matters and with press work.

The chief of the *Auswärtige Amt* was the (parliamentary) Foreign Minister, whose post was no more, as in pre-war times, in personal union with the Prime Ministership. The Foreign Minister's permanent representative in the Foreign Office was the Secretary of State. For some time, this post was split up into two secretary posts, one for political, and the other for economic matters.

Later on, during Baron Von Neurath's ministry, the three political departments were amalgamated into one, subdivided territorially, so that only six departments remained. This was the situation until the end of 1938.

The chief advantage, however, of the Schüler reform was the creation of a regular training system, preparatory to admission to the foreign service. The newly set-up rules demanded of candidates proof of, besides an academic, preferably legal, degree, good knowledge of English and French, and possibly one more foreign language.

Candidates had to come of respectable families. As payments—which by no means were lavish—were sufficient to keep up a good style of life, private wealth was no more necessary. Marriage with foreigners was considered undesirable and later on was altogether forbidden. There was no discrimination against Jews. A good number of them were in the service. In the political department a section for Jewish affairs was directed by a Jewish Councillor. The youngest age for entering the foreign service was 24 years, the maximum 30 years.

In the Foreign Office it was the duty of a special officer, who had his desk in the Personnel Department and had to work in close contact with its Director, to examine from all points of view all applications for admission, which reached the Foreign Office during the course of a year. In certain years applications numbered more than a thousand. After careful investigation of all circumstances, about 50 candidates were selected to present themselves for a first entrance examination. In this written and oral test they had to prove before a special committee a fair acquaintance with the English and French languages and a good allround education. The result of this examination and the general impression they had made on the committee, whose members in their majority belonged to the foreign service, decided the question of their admission. The number of those admitted was between 30 and 40.

Those accepted were attached to the service—hence their title 'attached' a word which must not be confused with the same word employed for diplomatic persons attached to missions abroad for military, commercial, agricultural, press or other functions. Foreign Service attachés are nothing but apprentices in the profession. In the German Foreign Service they were paid from the beginning, but not as regular, definitely appointed Government officials. They could, in case of inefficiency, be removed at any moment without indication of the reasons for dismissal or the right of indemnification.

Their apprenticeship lasted theoretically for three years. During this period they became attached by regular turns to different departments and branches of the Foreign Office and were also sent abroad to serve at diplomatic missions and at consulates. While staying in Berlin, they had to attend special courses in international, consular and maritime law, and lectures on economics and history etc. Besides, the attachés received a thorough instruction in English and French. Possibilities were offered to those desiring to learn a third, preferably an Oriental, language. Such knowledge was rewarded by a special allowance.

Usually towards the end of the third year, the attachés had to be ready

for the last, so-called diplomatic examination. Having passed it successfully, they were *de jure* entitled to being appointed to a regular post as vice-consul or secretary of a legation, which in the lowest category of the career were equal in rank. The *de facto* appointment, however, depended upon the number of vacancies in such posts available at the moment. Sometimes the attachés had to wait several years before they were really legal holders of a government's position.

A few words may be said here about the hierarchy within the foreign service, as compared with the military ranks and the staff of other government agencies.

The top rank, of course, was that of the cabinet minister who, in Great Britain and the United States, bears the title of the Secretary of State. In Germany the title of secretary corresponded to that of the Permanent Under-Secretary of State in the British-American system.

The secretary and the ambassadors corresponded in rank to the full generals and the secretaries in other ministries. Under-secretaries and directors were equal to lieutenant-generals; ministers plenipotentiary and consuls-general of the first class had no parallel rank in other ministries; in the army their rank corresponded to that of a major-general. The grade of second class minister and consul-general and that of councillor of embassy was equal to that of a colonel. The analogous title in the Auswärtige Amt and in the other ministries was that of a ministerial councillor. Consuls of first and second class and councillors of legation of the same grade were equal to lieutenant-colonels or majors. The lowest rank was that of a vice-consul and junior secretary of legation, which was equivalent to that of an army captain.

The plan of organization of the Foreign Office itself was simple and clear. The minister had, at his immediate disposal, two small, but very efficient, sections, his private cabinet and the protocol. The secretary was his nearest collaborator and deputy. The working apparatus consisted of the six departments: Administration and personnel, politics, economics, law, culture and press. Each department was divided into a series of branches, or desks, following the American nomenclature, departments II, III & VI according to the geographical, I, IV & V according to the material principle.

All the leading officers of the ministry, some 30 persons, gathered every morning before starting office work for the Foreign Ministry, but also effectuated for them without cost all minor operations which they during their absence in foreign countries might wish to have made with parts of their official income at home.

Salaries in the German foreign service were about the same as in all other foreign services of that time. The top income, that of an ambassador, was about 4000 Marks, the lowest, that of a secretary of legation or vice-consul, about 500 Marks. These emoluments in practice were considerably increased by additional allowances for representation, requirements of cost of living, accommodation etc.

The whole annual budget of the foreign service did not exceed some 50 million marks. The mark at that period was approximately equivalent to one shilling.

The spirit among the members of the German foreign service in those times was that of honest professional workers. Nobody could blame the Republican Government for having had any aggressive purposes. The foreign service was nothing more than a loyal instrument to serve the execution of the peace-loving policy of men like Rathenau, Stresemann and their successors. The growing National Socialist movement with its extravagant political aims, had hardly even touched the foreign service.

This curious phenomenon finds perhaps its explanation in the fact that, since Bismarck's time, it had been one of the axioms of the foreign service that its members, like the officers of the army, had to keep aloof from domestic politics. This principle had been practically kept up also in Republican times. The few cases in which foreign service officers had become active in party politics were regarded among their colleagues as something objectionable. Mixing up with home politics was considered as improper as misusing one's official position for purposes of private business. It may seem improbable, but it is nevertheless true, that before 1933, not a single higher officer of the foreign service was a member of the National Socialist Party. Very few officers belonged to any party at all.

Then, in 1933, Hitler came into power. He dared not at first touch the foreign service. The Minister, Baron Neurath, remained in office, backed by the Reichspresident von Hindenburg, who, among friends, called Hitler 'the Bohemian Corporal'. In the great crowd of his followers, Hitler had no suitable men to replace the learned diplomats. A few attempts made with Herr Rosenberg and others were not encouraging.

But soon the situation became different. All sorts of people, party members and party protégés began to discover their taste and talent for diplomacy. The Minister von Neurath tried everything in his power to keep the foreign service clean of these influences as long as possible. As the Führer himself backed the intruders, he was doomed to failure.

We shall not try to give a narrative here of that sad development. It may, however, be interesting that, when Neurath had to make place for Ribbentrop early in 1938, not only the outer framework of the foreign service organization, but also the higher grades of the hierarchy, by an astute policy of passive resistance, had remained more or less intact.

With Ribbentrop's arrival the mad race towards the abyss began. A whole gang of political and financial adventurers followed suit and made their intrusion into the service. Their only merits were good looks according to the taste of their master, and a fanatically enthusiastic display of rigid party manners.

But even then, Ribbentrop felt that his position, at least internationally, was not yet established solidly enough to allow him to get rid of all 'these tedious critical warners and procrastinators,' as he called the professional diplomats. For purely personal reasons, he tried to keep the leading ones in office, at least for the time being. Those men believed that it was their duty to stay on and to try to avert the menacing calamity if possible.

With the outbreak of World War II, the avalanche broke loose; there was no need any more for keeping up appearances. In his headquarters, always in the neighbourhood of Hitler's own place of command, Ribbentrop surrounded himself exclusively with his personal retainers and a few members of the Foreign Office who had submitted to serve the great man as a sort of ante-chamber valets.

Despite heavy bombing, the bulk of the Foreign Office staff, including the Secretary of State, remained badly protected in the centre of Berlin, almost till the end. This was by order of the Minister who did not wish them to set a bad example of defeatism by evacuation. Far from being consulted on any question of political importance, they were not even informed by Ribbentrop of what was happening.

Shortly before the final catastrophe, the Foreign Office was removed to Western and Southern Germany, only to fall into the hands of the allied armies. Nearly all foreign service officers were arrested and kept in prison for months and, in some cases, for more than two years, without having been accused of any definite offences. After that measure of prophylaxis or purgation had been performed, nearly all of them were released.

Only in a few cases—those of Ribbentrop, Neurath and Papen—formal proceedings were instituted against the accused. The judgement of the Allied Court at Nuremberg condemned Ribbentrop to death, Neurath to 15 years of penal servitude and acquitted Papen. History will decide, whether these sentences were just or not.

Ten officers of the German foreign service, among them two ambassadors, were executed on sentences passed upon them by Hitler's special 'courts of the people', because they had actively, or passively resisted the dictator's rule. Many were forced to live in disgrace or exile.

This fact hardly tallies with the sweeping statements alleging the complicity of the entire staff of the German foreign service in the offences perpetrated by the National Socialist Party members.

To sum up, the German foreign service, from its first to its last day, was a body of men created by Bismarck to be an efficiently and loyally functioning diplomatic instrument in the hands of an able statesman. These men were perhaps lacking in initiative, and their belief in authority was too solidly implanted. But they were certainly not the submissive cowards which propaganda has made of them.

At any rate, the system of German foreign service, long before any other, possessed three great advantages: complete amalgamation of diplomatic and consular services, preparatory training for attachés and establishment of the territorial principle in the organization of the Ministry. These three points have now been adopted by nearly all foreign services; by the British through the Foreign Service Order-in-Council of 20 May 1943, by the U.S.A. through the Foreign Service Act of 1946; and by the French Government, as far as the education of attachés is concerned, in 1945 by the foundation of the *Ecole Nationale d'Administration*.

## PHILIPPINE CULTURAL DEVELOPMENT

By E. M. ALIP

### I

WESTERN scholars and educationists speak of Ferdinand Magellan's stumbling on the Philippine shores in 1521 as the discovery of the Philippines. Being a satrapy of Western Powers from the 16th century down to the granting of independence on 4 July 1946, the Philippines could do nothing but to swallow that notion, hook and line, with its obvious implication, namely, that cultural progress in the Philippines merely began with the advent of the Europeans.

But that implication is far from the truth. Thanks to the progress of scientific research and the growth of nationalism in the country, the notion is being gradually discarded, and a new one is taking its place. The new notion projects itself into the belief that long before the advent of the Castillian Sword and Cross in the 16th century to herald Spanish imperialism which was to last for about four hundred years, the Philippines had a culture of its own and its people were carrying on a close intercourse with the neighbouring countries of India, China, Malaysia, Japan, and even with far away Arabia.

The new notion does not of course discredit the beneficent results of the coming of the Europeans, but it simply seeks to state the basic fact that long before that so-called discovery, the Philippines had already been known by the outside world---the Orient which is rich in the glory and grandeur of its own, which, like the Sun that rises from its horizon, has its own brilliant rays that give life, vigour and hope to making.

The coming of the first Europeans to the Philippines in the 16th century was regarded by their historians as the discovery of the Philippines. Little did they ponder on the fact that when the first Spanish colonizers came, they saw Chinese and Japanese settlements in the country. Little did they ponder on the fact that when the first Christian missionaries came, they saw a portion of the Philippine population worshipping a religion that saw its birth in Arabia and another portion worshipping another religion akin to Hinduism and Buddhism. Six centuries earlier than the coming of Magellan, the inhabitants of the islands of Luzon and Mindoro were reported as carrying on lively commercial intercourse with the kingdom of China. These facts and many others, too long to mention here, prove the falsity of the European indoctrination on the Philippines being discovered by a westerner. Geographically and historically, the Philippines stands at the cross roads of the East and the West. It has suffered the vicissitudes of fortunes of a subject race. It has received the influences of both the East and the West.

### II

The Filipino people, as they are today, are accordingly an admixture of several racial elements, with the Malay element predominating, the others being the Indonesian, Chinese, Spanish, and American. In the town of Cainta province of Rizal, which is about twenty miles to the north-east of Manila, live a people distinctly different from the other Filipino elements.

They are relatively tall and fairly shaped, with dark complexion, clear face, straight hair, and aquiline nose. They are neither Indonesians nor Negritos. It is believed that they are descendants of the Indian sepoys who preferred to stay in the Philippines after the British invasion of Manila in 1762-63.

In population centres like Manila, Cebu, Iloilo, and Zamboanga, one would readily find different racial traits among the Filipinos. In the city of Davao, in southern Mindanao, there lived at the outbreak of the last East Asia war some 20,000 Japanese. In the city of Manila today about 100,000 Chinese nationals live and about an equal number in all other population centres taken together. With the exception of the Japanese, the foreign nationals in the Philippines intermarry with the Filipinos.

In big cities and other population centres, life is not typically Filipino. Exotic elements quite predominate. This is seen in the houses and tenements that line the streets, the innumerable automobiles, jeeps, and other motor cars that fill the streets and boulevards, the pianos, frigidaires, tapestries and decorations that adorn the modern homes, and the recreation centres—mostly modern cinema houses—that cater to the fashionable elements. In these places we find big, palatial residences, made of concrete and adobe. In these places we find likewise the modern schools, colleges and universities. The University of Santo Thomas which is twenty-five years older than America's own Harvard University and older than any of its kind in the Far East is in Manila, with its eight-story main building towering four-square on a twenty-hectare plot. In Manila, too, is located the University of the Philippines, which is the only government-owned and government-supported higher institution of learning and whose instruction is recognized by leading universities in America and Europe.

In Manila and other population centres the infamous diatribe 'East is East and West is West, and the twain shall ne'er meet' cannot be true, for there we really find cosmopolitan life, in all its ramifications. They have a background of mystic, philosophical Asian life which is made richer and more interesting by its close and constant impact with the modern ideas, doctrines, principles and experiences of the West.

Manila is the centre of the country's political, economic, social, educational, and religious life. It is the hub of the whole Philippine life. The seat of Government is there. There the *politicos* and newspapermen speak of all political creeds, from the most popular democracy to the most unpopular totalitarianism. There the academicians speak of the system of Aristotle, Plato, St. Thomas, Hegel, Dewey, Malthus, and Santayana. There we hear of reports of activities, among others, of Indian leaders like Gandhi, Nehru and Jinnah. There the pious lead a life of austere serenity and contemplation while the indifferentists and free thinkers propound their philosophical theories on evolution, pragmatism, and money values. There, too, big banking institutions are established and the system of stock exchange fluctuates from day to day in the nature of New York's.

But if you have seen Manila alone, don't boast that you have seen the Philippines, for Manila is not the Philippines. Manila is an urban centre.



Manila is a cosmopolitan city. Just as Shanghai and Paris are not China and France, respectively, so Manila is not the Philippines.

If you want to see typical Philippine life, visit the typical Philippine towns and barrios (villages) and talk to their inhabitants. You will find the Philippines a country of quite contented rural, agricultural communities. The town which centres around a public plaza and church is composed of a number of villages that are geographically near each other whose inhabitants speak the same dialects and live practically an identical life. You will find most houses small, made of thatched (cogon or nipa) roofs and sides (walls) with bamboo floor which is only about two meters above the ground. Look at these village houses and you will find them similar in structure and architectural design as the typical native houses of Sumatra and Java, wherein, it is believed, they had their origin. For it will be remembered that the Malay Filipinos came from south-eastern Asia through Malaysia and Borneo. In the village houses dwell families with very close filial affinities. There the father is the potentate and the mother the uncrowned queen, both spreading the warmth and affection of a loving paternal pair.

The Filipinos are proverbially a hospitable people. Refusing an offer (food, drinks, gifts, etc.) from a Filipino is considered an affront, nay an insult. In Philippine towns and villages, a stranger has a hotel in every home. There a stranger-visitor is always welcome to a repast consisting of boiled rice and fish and vegetables, which form the ordinary meal of an average Filipino family. It is a truism that no stranger dies of hunger in his travels or trips in these places. However poor a family is, it always gives its last penny—nay it even goes in debt—just to extend its hospitality to strangers.

### III

The Filipinos speak a number of dialects, each related to one another. These dialects are linguistically related to the Malay-Polynesian family of languages, and their alphabet (at the coming of the Spaniards) resembled Sanskrit. Tagalog which is spoken in Manila and in Central Luzon and some islands south of it is now the national language of the country, and together with English and Spanish, it is an official language. It is interesting to note that many of the words in Tagalog have been derived from some Indian characters, such as *salapi* (fifty centavo coin), *sulat sabi* (saying, word), *aklat* (book), *sandata* (weapon), *saksi* (witness), *salita* (words, sentence), *mana* (inheritance), and many others. Our ancient barangay or village system seems to have been an Indian cast, along with its system of titled nobility *maharlika*, *bari*, *lakan*, *lakambini*. It appears, too, that a touch of India's Buddhism was noticeable in the Philippines' Bathala worship. Even the 'bahala na' (let it be, or happen what may) philosophy so common among the Filipinos is reminiscent of Indian fatalism. Some of our ancient deities like Agni, Balituk, Siva, and Bathala itself, appear to be of Indian derivation.

In this connexion, too, it might be of interest to us to note that Indian influence was also felt in metallurgy, as bronze, tin, and copper smithing in the pre-Spanish days seemed of Indian character. In the ancient burial tombs

in Cebu and Eastern Mindanao were found images representing the Hindu god Siva. Many objects of undoubted Hindu-Malayan origin were found in these and other sites. One famous image of gold, which is a little more than eight inches high, was found in the Agusan river valley in eastern Mindanao. This image is believed to have been made by Javanese miners working in the Mindanao gold fields between the year 1350 and 1400. It is approximately valued at two thousand dollars. Hindu-Javanese influences are particularly felt in the visayas (especially Panay, Cebu, Bohol, and Leyte) in connexion with the 'Arts, and industries of the people, especially in their weaving, metal work and jewellery.'

Summarising the Hindu influence in the Philippine culture, the historians Beyer, Stelger and Benitez say: 'The Indian culture made itself felt most strongly in the political, social, and religious life of the populations among which it spread. Its material influence was relatively less important, except perhaps in metal working and in the art of war, though modes of dress and personal ornamentation were also greatly affected. At the time of the Spanish discovery not only were the more civilized Filipino using the Indian syllabaries for writing, but their native mythology, folklore and written literature all had a distinct cast. The same was true of their codes of laws and their names for all sorts of political positions and procedures. The more cultured Philippine languages contain many Sanskrit words, and the native art is a noticeable sprinkling of Indian design. With the exception of recent European culture, the Indian influences are on the whole the profound that have affected Philippine civilization. It should be kept in mind, however, that these influences did not reach the Philippines directly from India, but came probably through Hindus or Hinduised Malays already long resident in Sumatra and Java.....'

#### IV

Of paramount importance in the growth of Philippine civilization was the impact and contact with China. We do not know the exact date when the first contact took place, but records show that before the close of the 10th century the Philippines had already a lively commercial intercourse with that country. China's influence in the Philippines was not only economic but also social. The loose system of clothing especially among the Visayan population, the use of silk, and many ornaments came from Chinese merchants and settlers. The vocabulary of the Philippine principal languages was enriched by the Chinese. Included among these are the family relations like *babo*, *sanse*, *ditse*, and *diko* and commercial terms like *pansit*, *mangkok*, *miki*, *kam-aw*, *panglaw*, and others. Even the religious sculpture in the Philippines had some Chinese influence. During the Spanish régime, the Spanish officials noticed that the Chinese were storekeepers, carpenters, engravers, shoe-makers agriculturists, etc. Chinese industry and thrift have become proverbial and the Filipinos have to imitate them. During the Spanish régime, the Chinese in the Philippines were regarded as 'necessary evil'—necessary economically but an evil politically, and to a certain extent, this is so even today.

The four hundred years of Spanish rule in the Philippines has left an impress upon the life of the Filipinos which cannot be forgotten for all time. The first effect was political; directly or indirectly it resulted in the unification of the country. Instead of the existence of petty, separate and independent political units called *Barangay*, the islands constituting the archipelago became one country—the Philippines. Secondly, about 90% of the inhabitants became Christians so that not seldom do we hear the claim that the Philippines is the only Christian country in the Far East. As a Christian people, the Filipinos have to follow Christian morals and Christian virtue. The position of our women in society was elevated in accordance with the Christian doctrine: 'Husband, love your wife as Christ loves His Church, for she is the flesh of your flesh, a part of your being'. The wife, therefore, assumes a co-equal partnership in the matrimonial estate.

With the Spanish conquest came the replacement of the old native Philippine alphabets by the Latin alphabet. The Spanish language found its way in many Filipino homes and became the vehicle through which they became acquainted with the world and by which later they tried to express their desire for reform and emancipation. The native languages, especially Tagalog, on the other hand, were cultivated by both the Filipinos and the Spanish scholars. The use of shoes, hats and Spanish attire found acceptance among the Filipinos. Culture along the European line was introduced. Schools were opened, the printing press was installed, books were published and libraries were built. The Philippines now boasts of the possession of the oldest commercial press in the Orient. Houses of Spanish style and design and macadam roads were built. These roads proved to be a great improvement over the former ones and made the relations among the people closer. Spanish mannerisms and etiquette were introduced, and as Filipinos as a whole are fast learners, they learned many things from the European tutors.

Among the well-to-do classes, the standard of living was raised. Filipino students studied not only in schools and colleges in Manila but also in Madrid, Barcelona, Paris, London, and other cultural centres in Europe. Eventually those students became the leaders of their people. They were the very ones who engineered the revolution in 1896 against the Spanish rule. As a whole, it can be truthfully said that Spanish rule in the Philippines was more beneficent than harmful to the Filipinos, and in fact, as foreign observers say, Spanish rule in the Philippines was far more advanced than any other colonizing power that settled in the tropics.

## V

In 1898 American sovereignty replaced Spanish sovereignty in the Philippines. Except for a brief temporary interruption (1942-45) that power continued until 4 July 1946, when the Philippines became independent by a free and voluntary act of the American Government. From all indications, American colonialism in the Philippines was a pattern and a model. Politically, it started with training the Filipinos for self-government and eventually, it gave the Philippines its independence. Educationally, it reduced illiteracy

creditably. Now the Philippine percentage of literacy is a little over 50% which is certainly higher than those of many other countries, including Spain, India and China. In the Philippines one can find at least one public school in each barrio (village) and in the whole country of about 18,000,000 people there are ten universities, and a total school enrolment of more than 4,000,000.

Infant mortality has tremendously decreased and epidemics have been completely wiped out. Our population rose from 7,000,000 in 1903 to 18,000,000 in 1947.

In the economic field, the Philippine progress has not been creditably significant. It is true that the economic life of the people had advanced tremendously. We have a high standard of living, much higher, it seems, than any other in the Orient. But this is largely due to an artificial trade arrangement we have with the United States. By an act of the American Congress in 1909, subsequently amended several times later, we have a sort of free trade with the United States. By means of this, some of our products needed in the United States were boosted. I am referring especially to sugar, copra and coconut-oil, hemp and tobacco. But the preference given to these products meant the neglect of others, including rice which is our staple crop. Our country has rich natural resources but so far less than one fourth has been developed. The rest still await development.

In conclusion, it may be emphasized that the cultural development of the Philippines has been the result of its centuries of contact with the other countries of the world—first with the Orient and later with the Occident. We are cognizant of the many beneficial effects our contact with foreign countries has brought to us. On our part we shall strive to do our share to make the world a better place to live in. We are convinced now, more than ever, that what the world needs is unity. The unity of mankind has been the dream of Christ, of Tolstoi, Wilson, and of F.D. Roosevelt. It is the dream and hope of the United Nations. It is the dream of statesmen and idealists the world over for countless centuries. We shall, on our part, do our share for the attainment of that unity.

## FOUR YEARS OF THE F. A. O.

*(Contributed)*

THE decision to set up the Food and Agricultural Organization of the United Nations was taken at the Hot Springs Conference held in June 1943. The organization however, actually started work in October 1945, when the first session of the conference of the F.A.O. was held at Quebec. The F.A.O. has thus been in existence for a little more than four years. Though the organization is still in a sense in its infancy, it will be interesting to take stock of its record of work during the last four years and examine to what extent it has been able to implement its high objectives.

The objectives mentioned in the preamble to its constitution are 'raising levels of nutrition and standards of living of the peoples, securing improvements in the efficiency of the production and distribution of all food and agri-

cultural products, bettering the condition of rural populations, and thus contributing toward an expanding world economy'.

The functions of the organization, as listed in Article I of the constitution, include, amongst others, research, improvement of education and administration, conservation of natural resources, adoption of improved methods of production, processing, marketing and distribution, provision of adequate credit facilities, adoption of international policies for commodity arrangements, etc. It is in the context of these objectives and functions that the work of the F.A.O. has to be judged.

The work of the organization has been reviewed at three successive conferences. The most important decision taken at the first conference at Copenhagen was the appointment of a preparatory commission for drafting the world food proposals. At the second conference, held at Geneva, extensive changes were made in the constitution of the F.A.O. and a council of the F.A.O. was set up with an independent Chairman as an executive body to supervise the work of the organization in between the conferences. The other two important decisions made at Geneva were the amalgamation of the International Emergency Food Council with the F.A.O. and the proposal for a world agricultural census in the year 1951-2. At the third conference, held at Washington, it was decided to set up a regional office for Asia and the Far-East and to constitute the International Rice Commission. These have been the highlights in the history of the F.A.O.

The actual work of the F.A.O. is carried out through the various divisions of its secretariat. The programme of work prepared by the secretariat is put up by the Director-General to the member nations at the annual conference when all matters of policy are decided upon. The conference works through three commissions of the whole House. The first commission discusses the food and agricultural situation in the world; the second discusses the activities of the various technical divisions of the F.A.O. and the third discusses constitutional, administrative and financial issues. Each commission is further divided into committees, sub-committees, working parties, etc. as may be necessary. In between the conferences, the Council of the F.A.O. acts as the supervisory body and ensures that the decisions of the conference are implemented.

The general impression that one gets after studying the reports submitted by the Director-General to the conferences, the reports of the conferences themselves, the large amount of documentation furnished on the various items of the agenda of the conferences and other literature issued by the secretariat, is that the discussions centre round familiar issues, time-worn arguments are marshalled for and against each issue and pious resolutions are passed, conforming more or less to a uniform pattern. One who has attended two or three successive conferences is immediately struck by the recurrent character of the issues raised and the repetitive character of the documentation and debate. The discussion of the food and agricultural situation in different parts of the world is on a fairly general level, and naturally results in stressing the same characteristics of each country's

problems which were stressed the year before. After all, the member countries, naturally divide themselves between under-developed countries and advanced countries, importing countries and exporting countries, rice regions and wheat regions, the haves and have-nots etc. The under-developed countries put forward the customary plea for special assistance, which is neither directly supported nor refuted by the advanced countries. The food importing countries stress the need of feeding men in preference to livestock. The food exporting countries call for the utmost economy in the use of food by the food importing countries. And so the division of opinion manifests itself on familiar lines. There are then the perennial issues of the size of the F.A.O. and the same relationship agreements with any new U.N. organizations that may have been started since the last conference, the demand for readjustments of contributions by individual countries, the request for permission to pay contributions in non-dollar currencies, etc. These issues are generally left unresolved and passed on to the next conference.

When the activities of the different technical divisions are examined, there is little evidence of any careful thought being given to the entire work of each division. Minor suggestions are made as to the shift of emphasis from one item to another, which usually end up by being withdrawn when the paucity of funds is pointed. Different countries put forward their claims for special treatment, but ultimately the programme of work, as originally put up, is more or less accepted. One may have expected that the distribution division of the F.A.O. which has now taken up the work of allocation of rice, wheat and fats may come in for special attention, since this is perhaps the only concrete work done by the F.A.O. But as the detailed allocations have already been settled in committees and have already been decided upon by the Council of the F.A.O. there is hardly any discussion on this item as well.

There is a general air of unreality about the whole proceedings. There is an effort to hustle through the various items of the agenda so as to keep within the time limit laid down. The delegates make high-sounding speeches in a lofty vein on such specious topics as nutritional levels, standards of living, the interests of humanity etc. Each delegation invites other delegations to, and accepts invitations from them to, a round of social functions. The vital sense of urgency, the feeling of responsibility for the lives and fortunes of millions of people who are still existing at sub-normal standards of living is sadly missing from these gatherings.

The only useful service that one seems to receive from the organization is the supply of documentation covering various aspects of food and agriculture. The collection and compilation of statistical data covering the entire field, the interpretation of these data, the formulation of the issues arising therefrom and the tendering of advice based on it are really important services that an international organization can perform, because it is only such an organization that can see the entire picture. The work in respect of the collection and compilation of statistics is generally well done, though even here there is a tendency to multiply the documents produced

beyond the stage of their usefulness, and issue them at too frequent intervals.

The data in some countries takes time to be available since the questionnaire method cannot be used and it had to be collected by a governmental agency. The statistical returns are naturally delayed and the figures have to be repeated over and over. The accuracy of data also varies and so does the coverage. Any attempts to prepare reports at short intervals cannot, therefore, but be scrappy or repetitive with respect to a large number of countries. The administrative authorities of member countries have very little time to study detailed statistical publications if they are issued too frequently. There is a tendency to compile statistics for the sake of statistics, irrespective of the policy objectives that the statistics are expected to serve.

While the services of the F.A.O. in the sphere of collection and compilation of statistics are on the whole satisfactory, the interpretation of these statistics and the advice based thereon is a little too vague, discursive and academic in character. Statistics are after all only the raw material and the tools for building up policies and the work of the organization is ultimately judged from the policies it recommends. It is essential, therefore, that the research work carried out and the advice tendered by a body like the F.A.O. should be directed towards practical ends and concluded in a form which would readily lead to administrative decisions. The recommendations made should not be of the nature of general and pious pleas for raising the standards of living, but should take the form of closely worked out, integrated, practical and concrete measures which can be immediately put into operation by national governments. For instance, it is not sufficient for the F.A.O. to present, in the form of a statistical statement, the figures of distribution of tractors and fertilizers to different countries. It should also state the inference which the table leads to, namely the necessity of allocating larger quantities of tractors and fertilizers to under-developed countries and also work out in detail a programme by which the manufacturing capacity for this purpose can be expanded. The final objective should be to examine the national plan prepared by a country and revise it in the context of the world picture and the requirements of the world population. National plans are naturally framed from the point of view of national interest, and only an international body can suggest the extent to which they require modification, in order that the interest of other nations should not suffer. There is, however, at present, considerable hesitation in criticizing national programmes, especially those of the great powers. The reports prepared and recommendations formulated are descriptive rather than critical, formal rather than suggestive. Problems are posed but are left unanswered. Statements relating to facts are made, but the obvious conclusions are not drawn. There is a fear of hurting susceptibilities, and truths remain unstated, because they are unpleasant and inconvenient to certain interests. The documentation does not show that independent outlook, fearless spirit and constructive approach which one expects from an international organization, owing allegiance to no single nation and wedded only to its objectives.

As a result even in this field where it has rendered considerable service, its work resembles more the work of a university faculty rather than that of a body grappling with urgent world problems.

The organization is reduced to this position because of many reasons, not all of which are of its own making. The first reason is that the F.A.O. has no power to take direct remedial measures of any sort on its own initiative. It can only make recommendations to member nations that they should take action in particular directions, either by themselves or in co-operation with other nations. These recommendations are usually couched in very general terms and do not amount to very much more in practice than what is already well known to the nations themselves.

The F.A.O. occasionally sends special technical missions, consisting of one or more members of its staff to visit individual countries and advise their Governments. These visits, however, are of such a short duration that the mission only gets a bird's-eye-view of the problems of the country and cannot usefully add very much by way of suggestions to the plans already in progress. The technical officers of the countries concerned are, therefore, apt to look with suspicion and resentment at these globe-trotters who seem to be more or less on a holiday. Such technical missions give to the country they visit little, beyond a report of their tour, which usually describes the various problems and the measures being taken to tackle them. There is a feeling that while such visits are of great educative value to the members of the mission themselves, they lead to very little practical benefit to the country visited. Local technical officials have been heard to say that the only value of such reports is that their finance ministries are inclined to treat their proposals with a little more sympathy when they also bear the rubber-stamp of international experts. This is the general pattern of the actual advice tendered.

Even if advice was more specific and really path-breaking, mere advice by itself cannot carry a member country very far. It is only when the wherewithal of implementing such advice in the form of tools and requisites of production are made available, that action can be taken. In this respect the F.A.O. has been unable to supply any direct and concrete assistance so far. The only exception to this is the allocation of responsibilities of the F.A.O. in respect of cereals and fats, and it is understood that these responsibilities will also soon terminate. Under these circumstances, there is no wonder that the organization has been unable to evoke for itself any special respect or appreciation amongst member countries.

The F.A.O. also suffers because of the multiplicity of organizations operating in the international field and having more or less the same functions. There are, for instance, already in existence, besides the F.A.O., the I.L.O., the I.T.O., the W.H.O., the U.N.E.S.C.O. etc. The activities of each of these, in some way or the other, infringe on those of the rest. There is in addition the E.C.O.S.O.C., which is supposed to have certain overall functions. Each of these organizations has also set up regional branches. There is a natural tendency for each organization to extend the scope of its activities



without first examining whether they cut across the activities of other organizations. Each organization is jealous of its own independence and there is a certain sense of rivalry between the staffs of different organizations. This leads to considerable over-lapping of functions and multiplication of documentation covering the same sphere. As a result, no organization gets down to brass-tacks and the documentation only skims the surface and is confined to mere generalities. There is considerable exasperation amongst member nations because of the innumerable questionnaires that are received from these bodies, more or less covering the same ground, and yet couched in different forms. The existence of so many parallel bodies makes it necessary for each organization to enter into detailed relationship agreements with each of the other organizations, thereby providing further scope for wordy battles on questions of jurisdiction. It is a sight to see at each conference a large number of individuals present who represent the other organizations and hold a watching brief. The only contribution these esteemed representatives make is to offer felicitations to the conference on behalf of their principals and wish the conference well. Subsequently, these representatives usually remain dumb until the end of the session when, once again, they are on their legs to say how greatly they appreciated the opportunity they had of learning about the great work that was being done by the body and that they would report all that they had heard or seen to the institutions they represent.

It is a sad thought that these different institutions should have incurred the expense of sending these representatives all the way merely for the task which could well have been done by a letter or a cable; and when this thought is followed by the realization that all this expenditure was met out of the contribution that one's own country makes, it makes one sadder still.

The existence of so many different bodies makes it very difficult for the F.A.O. to make any significant or vital contribution to the problems it seeks to solve. If it is to start a project, let us say, on agricultural labour, it has, first, to establish contacts with the I.L.O. which is concerned with all labour problems, the W.H.O. which is concerned with the health of agricultural labour, the I.M.F., the International Bank, which must be brought in if the project has any financial implications, such as raising a loan, the UNESCO, because the efficiency of labour depends on education, and the ECOSOC, which deals with all economic and social questions. If the question of jurisdiction is satisfactorily settled, it may be necessary to examine the question in a greater detail through a working party. These other bodies may then want to be represented on the working party and a joint party may be necessary. The reports then may go to all the bodies represented and discussed at the conference of each body. And so on. . . . it goes.

If the question relates further to agricultural labour in, say, the South-East Asia region, then the question besides being tackled at the level of the principal bodies has also to be tackled at the level of the regional bodies of these organizations. The result is that since any problem has to be discussed with a host of other bodies in relation to particular aspects of it, no single

body can move of its own volition. The net result of a body being pulled simultaneously in all directions is that it continues to be at rest.

There is also seen in the F.A.O. a certain unwillingness to face facts because of political reasons. It is axiomatic that any large-scale increase in the food and agricultural production of the world can only take place if action is taken in the under-developed regions. It is in these parts where cultivation in the past has been mainly extensive that rapid results can be obtained by the application of modern scientific technique and intensive cultural practices. The F.A.O., however, has a strong bias in favour of European and South American countries, and the continents of Asia and Africa receive only lip sympathy. It was repeatedly pointed out at the Washington conference by the Indian delegation that the F.A.O. ought to concentrate development work in countries of the East, where the fertility of the soil has been neglected for ages and intensive farming yet remains to be undertaken; that, for a given amount of expenditure incurred, the expansion in output will be very much larger in the Eastern countries, as compared to the countries of the West; that the European countries receive considerable assistance from other U.N. organizations and above all from the U.S.A. under the Marshall Plan, while the countries of the East are the real have-nots of the world; F.A.O. assistance to Eastern countries will not only help them in building up stable and balanced economies but also enrich the world by tapping resources so far unexplored. Such statements however are unheeded and are neither supported nor contradicted. What is surprising is that even Asian countries themselves are not prepared to take cudgels on their own behalf; the Indian delegation has often found their colleagues from other delegations warmly expressing their support and appreciation in private but remaining silent at the session. Every country is standing in the queue for assistance from the major powers, the U.S.A. in particular, and does not wish to risk its chance of obtaining it by being outspoken in public.

The former Director-General of the F.A.O., Sir John Boyd Orr, a great scientist and a genuine idealist, used to keenly feel the compelling necessity of harnessing the natural resources of the East and, during his tenure of office, never lost an opportunity of bringing this home to the member nations. His personality commanded respect, and may be in due course of time he might have produced results. With his retirement even that lone voice has disappeared from the scene, and science seems to have made place for politics and principles for expediency.

This attitude of the organization is also to be seen in its treatment of the question of setting up regional offices and the recruitment of their staff. The question of regional offices has been the subject of discussion at every conference since the first conference at Copenhagen. At Geneva, the Indian and Chinese delegations took the leadership in pressing the question of regional offices at the conference and the members of the South East Asia region waited in deputation on the Director-General, requesting that a regional office be opened for the South-East Asia region, and given a substantial share of income from the F.A.O. budget. The regional office was

actually opened in Bangkok only shortly before the Washington conference.

A regional office can, however, succeed in meeting the needs of the region, only if the executive direction of the office is in the hands of persons who have intimate knowledge of the requirements of the region and are familiar with local conditions. It has always been pressed upon the F.A.O. that the regional representative of the Director-General, who will be the head of the office, should be a person belonging to the region, though the technical staff may be recruited from amongst the best in the world. While this principle has been recognized in connexion with the regional offices for Europe and for the Near East, it has not been recognized for the regional office for Asia and the Far East. The appointment was made only a few months before the Washington conference as if with the purpose of forestalling any criticism at the conference with a *fait accompli*.

Then again, since the regional offices are newly established, careful planning of the activities of the staff is necessary, so that some practical results should be achieved. While a detailed programme of work for 1949 had been prepared for the European office and for the Near East office, no such programme seems to have been prepared for the regional office for the Far East. The question of a regional office for the Far East, as already stated, was raised and discussed at the Geneva conference, and subsequently at the regional conference at Baguio, and an officer was also specially appointed for a term to advise the Director-General with respect to the problems of this region. That, in spite of this, a detailed programme should not have been worked out for this region and put up before the conference for its approval, indicates the apathetic attitude that is taken to regional problems of under-developed countries.

The same step-motherly attitude is adopted in the budget allocation for regional offices. This question was pointedly raised at the Geneva conference by the Indian delegation and the Director-General undertook, on the demand of the Indian delegation, to present, along with the budget, statements showing the distribution of expenditure of the F.A.O. according to regions and the distribution of the different categories of staff of the F.A.O. according to nationalities. The object of the Indian delegation in making this demand was that the conference should be able to judge whether the different regions are receiving adequate attention in the F.A.O. programme of work and, since the planning and execution of a programme depends upon the sympathy and interest of the staff, whether persons from different regions were recruited in sufficient number. This promise, however, was not kept at the Washington conference when the budget was presented, and when an explanation was asked for by the Indian delegation, none was forthcoming.

The real difficulty is that the controlling staff of the F.A.O. look upon the regional offices with a great deal of distrust and apprehension. They feel that with the strengthening of the regional offices, the central office will dwindle in importance. This, in its turn, might also mean the weakening of the hold of the U.S.A. and U.K. over the activities of the F.A.O. since their present hold operates mainly through the directing staff of the central

office. There has, therefore, been a systematic effort to delay the setting up of regional offices as long as possible. When the pressure of regional forces could no longer be resisted, these offices have been set up, but they have been provided with meagre budgets and inadequate staff. Besides, the staff of a regional office has very limited powers and has to constantly ask for instructions from the central office. Even the staff attached to working parties is more under the orders of the central office than of the Chairman of the working parties and can hardly take a step on its own initiative. The only regional office functioning effectively is the European regional office, and that is because it has an allotted place in the general Marshall Plan strategy of the U.S.A.

As a result, the F.A.O. has become to-day little more than a university faculty dealing with food and agriculture. Its funds are limited, being dependent on the contributions of member countries. Since the contribution of the U.S.A. amounts to 27% of the total, it is but natural that its activities should be mainly directed from the point of view of American interests. Its senior directing staff is composed mainly of American and British nationals. It collects statistical data and other information and issues them at periodic intervals. It sends its technical staff not so much to give concrete and effective help to countries as to get a quick appraisal of local problems, so as to put a little local colouring and atmosphere in the documentation produced. These are no doubt useful services, but they obviously bear little resemblance to the objectives stated or the functions undertaken in the constitution.

If the F.A.O. is to justify the hopes that are entertained by millions of people all over the world, for higher standards of living, the organization will have to re-orientate its policy so as to move and move with determination in the direction of the objectives embodied in the final act of the Hot Springs Conference and the Report of the Preparatory Commission on World Food Proposals. If this effort is to succeed, the first essential step to be taken is for the U.N. to carefully examine whether it is really necessary to continue all the existing organizations operating in the international sphere. It is only after rationalization has been effected amongst the spheres of operation of the various U.N. organizations that the path would be cleared for each organization to pursue its own chosen field of operations.

In this connexion, it will be necessary to undertake a careful examination of the scope of activities which each organization considers as falling within its own sphere. The various activities may then be classified on three broad principles:

First, it should be recognized that certain spheres of action should be the exclusive responsibility of a particular organization. Any executive action should be taken only by the organization concerned, and if other organizations desire any information or action pertaining to it, they should address the request to the organization concerned.

Secondly, certain spheres of responsibility should be considered to belong primarily to one organization and secondarily to any others that may

be interested. With respect to such items, executive action should be taken by the organization primarily responsible for it but it should be required to enter into prior consultations with the other interested organizations.

Thirdly, certain spheres of action may be considered to be the joint responsibility of more than one organization. Special joint committees representing the different organizations interested in these spheres should be constituted for considering them and taking appropriate action. The staff of such joint committees should be drawn from the organizations represented and they should be empowered to act without constant reference to their parent organizations.

Once such a division of responsibility has been made on a mutually agreed basis with respect to the entire list of items that fall within the sphere of international action, it will be possible to avoid duplication of effort, promote efficient co-ordination and secure integrated action. Whenever it is proposed by an organization to address a request for information to member Governments or to recommend particular lines of action, it should first ascertain what its status *vis-a-vis* the other international bodies with respect to that particular item is and then decide whether it is competent to take such action. Such a well considered and mutually accepted distribution of responsibilities will call a halt to the present tendency of each organization to shoot off a questionnaire or address a recommendation to member nations without pausing to consider whether similar action may not have already been taken by some other international organization.

Some progress has been made in this connexion by the setting up by the U.N. of an administrative committee on co-ordination. Much, however, still remains to be done. In particular, it is necessary to set up a number of standing committees at secretariat levels, consisting of heads of the related divisions of different international organizations. It is only through formal and informal contacts between the secretariat staff of different organizations that the necessary routine procedures of mutual consultation can be built up and the agreed distribution of responsibilities implemented in practice.

If the relations between the different international agencies are rationalized on the lines indicated, international action will be greatly speeded up and member nations will respond more readily. Incidentally, an examination of the present activities of the different organizations will also reveal whether any of the existing organizations needs to be abolished or amalgamated with other organizations in the interest of rationalization. This will make for economy of expenditure, expedition and integration of effort. What is really necessary is that there should be a single secretariat of the U.N. as there is a single secretariat of each member-government. This secretariat should be divided into an appropriate number of departments, each dealing with a specified sphere of operations in the same way as the secretariat of each government is divided into a number of ministries or departments. This will enable the administration of the U.N. to be carried out forcefully and in unison, without it being subjected to criss-cross forces and internal jealousies of quasi-independent organizations.

The F.A.O. could then be fitted into the U.N. machinery as the division dealing with food and agricultural problems. It is true that the F.A.O. has at present a different composition from that of the U.N., but the difference is small and most nations are members of both bodies. This difference in membership of the two bodies, however, is already a source of friction because Russia, which is a member of the U.N., but not of the F.A.O. Whenever any proposal is made at United Nations conference to refer a matter to the F.A.O. or to bring in the F.A.O. in a joint working party, it is always opposed by Russia and enormous amount of time is wasted on a discussion of constitutional and jurisdictional matters. It will be in the general interest, therefore, if the F.A.O. is fitted into the U.N. machinery with a common membership.

The U.N. Secretariat should also set up strong regional secretariats which should be the primary operating units of the U.N. In that case, the regional office of the F.A.O. would be fitted into the regional secretariat of the U.N. as the section dealing with food and agricultural problems. These regional secretariats can perform very useful services in a number of directions. They are the ideal machinery for collecting all types of statistical and other information with respect to the countries within the region, since they would be able not only to compile whatever statistics are submitted to it, but also to check up their accuracy and give practical assistance in extending their scope. They should also provide on the spot all technical services covering the whole field of food and agriculture. They should, in addition, study the special problems of the region and integrate national plans and policies.

These regional offices should, therefore, have a sufficiently large secretariat, an expert staff representing all technical branches of food and agriculture and an adequate budget allotment. The Central office of the organization should be streamlined into a planning and controlling mechanism with only a small administrative and technical staff and it should provide unified direction to all the regional offices.

The advantage of this type of federal organization would be that it would make possible a continuous study of problems and secure the rapid adoption of remedial measures. Each regional secretariat would then be entirely devoted to the specific problems of the region and this cannot but lead to a greater concentration of work and a lesser dispersal of energy. Such a division of responsibilities between the central and regional offices will make for maximum results. While measures have to be thought out and planned from a single centre, it is only at the circumference that these can be translated into practice.

The F.A.O., which should become the food and agricultural division of the U.N. machinery, should have a definite allotment of funds for expenditure in different regions. The allotment should be sufficient not only to cover the expenses of the staff employed but also to undertake and execute a limited number of projects of development within each region. It is only when the F.A.O. is able to demonstrate to a country in a limited area, at its

own cost, what can be achieved by the application of scientific knowledge, that the country can be persuaded to take up the innovation with conviction and to apply it to other wider areas. If, as a result of the effort of the F.A.O., a thousand acres are reclaimed or put under tubewell irrigation, or cleared of malaria in a country and cultivation in this area actually shows increases of sufficient quantitative dimensions, there is no doubt that the normal cultural practices of the country will undergo a rapid change and the new methods get assimilated. It has been found over and over again that an ounce of demonstration is worth a pound of advice. It is well-known that, even within the country, research work carried out in laboratories does not enter into cultural practices unless its results are demonstrated on cultivators' own plots in each district or village of the country. But it is equally well-known that once a cultivator gets a striking proof of what can be achieved by a change in his practices, by having actually seen its results on a neighbour's land, he needs no further propaganda to persuade him to take it up himself. On the other hand, if he is not able to get a visual proof of the potentialities, no amount of propaganda will be of any avail.

What is true of cultivators is also true of nations. It is only when an international agency can convince a national Government by demonstration within a small area of what can be achieved by modern scientific technique and when the tools of production necessary for adopting these techniques are made available to it, that the national government can be expected to take immediate action to apply these techniques to other areas. What is necessary, therefore, is that the F.A.O. should not only be prepared to give advice, but also that this advice should be based on a careful and continuous study of local conditions by experts who are prepared to stay on the spot and give years of service to it. The advice again, even if it be sound and based on experience, must be supported by actual demonstration of its effect over limited areas in the countries concerned. To carry conviction and enable a quantitative assessment of the results in the light of the costs incurred, this demonstration must also be on a sufficiently large-scale. And, what is more, after such a demonstration has convinced the national Governments of the utility of the new techniques and made them willing and anxious to apply these techniques on a country-wide scale, the F.A.O. should be in a position to supply, either directly through its own operations or by using its good offices with the manufacturing interests, the necessary tools of production. The F.A.O. should make every effort to secure an increase in the manufacturing capacity for fertilizers, farm equipment, irrigation machinery, etc. in the world and their export to the under-developed areas in an adequate measure. It should maintain contacts with the various manufacturing concerns, take steps for the formation of new units of production, recommend the manufacture of particular types and designs specially suited for particular areas and stimulate their movement to under-developed countries, if they did not move by the ordinary pressure of trade. It should help the poorer countries to obtain these tools at special concessional prices paid in currencies which it can afford to spare and organize special schemes of financial assistance.

May be, the rationalization of the U.N. organizations at the central and zonal spheres may take some time, but the task of reorganizing the F.A.O. itself can proceed immediately if the F.A.O. wills it so. The focus of operations can be removed from the central office to the zonal offices. Technical missions need not limit their scope to a bird's-eye view of problems but can settle down in a region for a lifetime of service. The utility of advice can thus be demonstrated in practice on the spot, and as public opinion responds, it should organize the supply of the necessary tools of production. It is only thus that it will be faithful to its objectives and fulfil its functions.

## REVIEWS AND NOTICES

**SOME OBSERVATIONS ON THE DRAFT CONSTITUTION.** By D. R. Gadgil. (Publication No. 10., Gokhale Institute of Politics and Economics, Poona, 1948. Pp. 112. Rs. 3 or 4s. 6d.)

IN this publication Mr. D.R.Gadgil has drawn attention to 'the main gaps, maladjustments and defects of the Draft Constitution' and has made suggestions to remove them by 'suitable amendments.' Among the changes suggested attention may be drawn here to the following:—

(1) The deletion of those provisions which make the Union a quasi-federation, rather than a true federation—such as (a) nomination of the Governor by the President; (b) reservation of State legislation for assent of the President; (c) power of the Union Parliament to legislate for implementing treaties and international agreements; (d) power of Parliament to legislate on subjects in the exclusive State list, where they are declared to have assumed national importance by a two-thirds majority of the Council of States; and (e) power of the President to suspend the whole federal structure in a state of emergency or war.

(2) Removal of 'the greatest anomaly . . . . . presented by the differentiation in treatment' between the two types of units, i.e. the provinces and the States or Unions of States. For this purpose, Mr. Gadgil proposes the imposition of 'temporary disabilities on all States which insist on differential treatment for themselves in relation to Central subjects, or sources of revenue,' or freedom of trade. Mr. Gadgil realizes that this would appear most 'unusual' and would introduce 'an element of disharmony within the Union' but he insists that it is both necessary and just. In my opinion the purpose which Mr. Gadgil has in view can be achieved much better by limiting any special concession which it may be necessary to give for a specified period of years. As a matter of fact, changes in the direction desired by Mr. Gadgil are taking place so rapidly that it is likely that there will be very little differentiation left between units in Part I & Part III by the time the Constitution is finally adopted by the Constituent Assembly.

(3) Mr. Gadgil believes that 'the protection given to personal liberties is . . . . . so valueless that it might as well be withdrawn'. This view is far too extreme and much of the substance from this criticism has been



taken away by the amendments accepted already by the Constituent Assembly—*viz.*, deletion of 'Sedition' and addition of 'reasonable' in Clause 13 (2). However, Mr. Gadgil is right when he says that the rights of private property and freedom of business have been granted by the Draft Constitution 'in terms much wider than even those guaranteed in the U.S.A., the land, *par excellence* of free enterprise' and 'that any detailed regulation of economic activity such as may be required in planned and controlled economy would be rendered almost impossible by the wide right to property and that of practising business protected by Articles 13 and 24.'

Among the other proposals made by Mr. Gadgil the following may be mentioned: (a) the deletion of the provisions which militate against the parliamentary form of government; (b) the giving up of reservation of seats for minorities in favour of the Baden system of proportional representation; (c) modifications of the very wide emergency powers of the President in view of experiences in Germany; and (d) redrawing the boundaries of all units on linguistic basis and putting an end to 'the new imperialism of Hindi.'

From the above summary, it would be clear that the proposals made by Mr. Gadgil are important; they have been stated clearly, succinctly and ably and have been supported by reference to the working of constitutions in other lands. Perhaps it would not be untrue to say that the authors of the Draft Constitution have been influenced unduly by the provisions of the Government of India Act, 1935, and by the abnormal and unfortunate conditions prevailing in India and some of the other countries of Asia. On the other hand, it appears to me that Mr. Gadgil has erred in the opposite direction—*viz.*, of not giving due consideration to practical needs of the existing situation and perhaps in being a little too doctrinaire and a purist in certain matters.

All the same, the criticisms and suggestions made by Mr. Gadgil deserve careful consideration, particularly by members of the Constituent Assembly.

G. N. SINGH

#### CAPITALISM: AN ESSAY IN UNDERSTANDING. By Dr. Zakir Husain.

This series of lectures was delivered by Dr. Zakir Husain under Sir Kikabhai Premchand Endowment at the Delhi University in February, 1946. Academic engagements are announced with befitting detachment, and there must have been people interested in economic and cultural problems who may not have known that these lectures were being given, for the lectures received little attention from the press. An educated Indian who is indifferent to capitalism would be hard to find these days, and Dr. Zakir Husain's views could have stimulated lively discussions. They might even have served, if not as correctives, at least as antidotes to the confusion of ideas from which each of us thinks the other suffers.

Dr. Zakir Husain's lectures have been called by him 'An Essay in Understanding.' In his opening lectures, he showed how 'understanding' was a definite method, with a logical and philosophical background of its own and not, as we fondly believe, a natural and inevitable result of seeing, or hearing,

or reading. As a method it may be contrasted with the normative, which claims to judge, and the positive, physical scientific approach to social phenomena. Both these have been applied to economics. Dr. Zakir Husain made it quite clear that he did not propose to pass judgements, and that he would also avoid attempts to bring economics into line with the physical sciences. He would try to 'understand', for when we deal with society, with culture, we can 'understand'. We can see through cultural phenomena. Once we have understood them there is no 'behind' to them. It is otherwise with physical phenomena. As Dr. Zakir Husain said, quoting his revered teacher, Sombart, 'Behind the smell of a rose, behind the flight of a bird, behind the formation of a crystal, there lies a world of wonders, which remains an eternal mystery to our knowing minds but behind a bottle of perfume, behind an aeroplane, behind an industrial concern, there is really nothing.'

If we 'understand' capitalism, we will find that it has a mind, an organization and a technique; it is rational but not traditional, individualistic, but not solidaristic; it requires and achieves freedom, it is a specialized science with a revolutionary, non-organic technique. It has removed man, his needs and his welfare from the centre of economic activity, and has placed instead a sum of exchange values, ordaining that this phantom substance shall increase and multiply.

Karl Marx has aptly described the conversion of money into capital as the change of the form of circulation from goods-money-goods into money-goods-money. Money must increase endlessly. The capitalist is acquisitive; he cannot help it. 'The giant of capitalism, doubly spurred on by the idea of acquisition and individualism, with its gaze fixed ahead in the infinite, marches along its destined course, relentless, remorseless, crushing all that comes before it.'

That this was not a 'judgement' was borne out by the study of capitalism in its historical context. The capitalist entrepreneur has been an inventor, a discoverer, a conqueror, an organizer, a dealer and a diplomat. In Western Europe the history of his 'mind' begins with that love of gold. Some sneaked through to wealth; others practised highway robbery, or piracy; still others tried to make gold. But they all multiplied their money, 'the cold ones through lending, the warm ones through gambling.' The speculation on tulip bulbs in Holland, in the 17th century, was symbolic of things to come. Thus although the capitalistic urge took many forms, in the most unscrupulous transactions as well as in the most unimpeachable moral maxims, as the understanding mind will observe, there was the dynamic spirit of capitalism.

Up till the 19th century, though there were capitalists of all kinds, man continued to be the measure of things. Then came a change: Man was deposed. The businessman made his business an absolute entity and snapped the thousand threads that connected it with some living human need as the centre. With remarkable vividness and realism, Dr. Zakir Husain describes the modern entrepreneur and the forces and circumstances that have tended to increase and develop capitalistic activity. But the capitalist has not worked single-handed. Often, princes and governments gave a direct and lasting stimulus

to the growth of capitalism; they established powerful monopolistic companies and provided capitalism with the opportunities it needed; they acquired colonies and maintained them for its benefit; they enabled it to dispose of forced, slave and indentured labour. Above all their military policy was the really powerful stimulus. As Sombart, in one of his most magnificent phrases, has said 'In the beginning was the army.' The army was and is capitalism's most fruitful opportunity.

Dr. Zakir Husain's lectures on the character and problems of modern capitalism will be a revelation to those who have studied—or, like me, have avoided—economics as a science. It is remarkable, indeed, how rich and clear one's treatment of a subject can become if only one 'understands'. I have been unjust enough in trying to compress in a few paragraphs the character and history of capitalism, as described by Dr. Zakir Husain; I will not make it worse by summarizing facts and figures regarding the development, the methods and the technique of modern capitalism. I fear these will need the confident handling of the scholar and the epigrammatic expression that comes of a complete understanding.

The progress of early capitalism during the 19th century has been, to quote the simile used by Engels, a veritable steeple-chase ending in a rash, starting again with a trot, growing into a gallop, into an unbridled steeple-chase, and again to a crash, and so on, and on in regular repetition.

But economic crises are not the sign, as was once hoped, of the coming natural end of capitalism. However severe a depression, the capitalist tires of sitting idle, 'for living is not necessary, but profit-making is'. Periods of depression, as events have shown, are periods of consolidation; they become a means for the further development of capitalism. The other two possibilities of capitalism coming to an end of itself—through the ever-increasing misery of labour and through concentration of its work places have not come out true according to the prognosis. But the motive force of capitalism, the greed, the covetousness, the urge to untrammelled, unconditional, inconsiderate acquisition, *is* a perversity, even though it has led to remarkable progress in civilization. Will 'this amazing work of human perversity' continue?

It seems that it will, although it may change its habitat and perhaps, its form. Even now it exists along with other systems. Later, these others might gain predominance. 'Capitalism will not then be the proud, haughty, impatient, the curt thing that it has been, it will learn manners, it will begin to behave, it will agree to superior control and supervision and regulation; it will live like an old man, quieter, wiser, regretful with memories of a wild, reckless youth. The enterprising dare-devil will become a respectable "*rais*.'"

But in Asia the stage seems to be set for the growth of a capitalism, for which India appears to be marked for a big rôle. The Indian capitalist is apparently ready to subject himself to State control and regulation. Need we be surprised if he is also planning to control and regulate the State? If it is not given to him, for a while, to get riches that come from power, he will exer-

cise the power that comes from riches. When he has run the mad race, the social conscience will assert itself. But that will take a long time.

28 March 1947

M. Mujum

**EUROPEAN IDEOLOGIES: A Survey of 20th Century Political Ideas,**  
Edited By Feliks Gross, with an Introduction by R.M. MacIver (Philosophical Library, New York, \$12.0)

This book is a symposium on the various ideologies current in the world today. It gives useful information regarding, and evaluation of, these ideologies. As several contributors have explained their viewpoints, here and there one sees contradictory statements; but therein, perhaps, lies the strength of the book; for, we do not want to see all the ideologies cast in the same mould.

The twenty and odd ideologies critically examined in this book are based on a number of ideas, economic, racial, political, cultural, regional, religious and those relating to class. Every one of these ideologies emphasizes a certain method of human grouping and a certain way of human behaviour, but at the same time is at variance with others. Some of these ideologies are powerful in their appeal to the common man whose economic welfare and political supremacy they advocate. Born in Europe, many of these ideologies have spread throughout the world, especially, socialism, communism, trade-unionism, nationalism and federalism. Thinkers, politicians and economists must now make collective surveys of these various 'isms' which are offered as the panacea of all human ills.

Fundamentally, there are two outlooks underlying these ideologies. One is the international outlook and the other national, class or racial outlook. The first thinks in terms of co-operation and federation, the second in terms of conflict and imposition by force.

Most of these ideologies have a strong element of myth or irrational in them, that perhaps is the driving force of an ideology, for an ideology is ultimately a question of belief; it is a sort of new religion that is created in place of some old theology; it is a belief in the kingdom of certain ideas of values of life.

An ideology is an emphasis on a part in place of the whole; emphasis on a particular class, or race; emphasis on a particular culture or religion—at the cost of general humanity, and human liberality. It considers certain factors of life and ways of life as true and others as false. As a consequence, it has created intolerance, fanaticism and barbarism in human life.

Ideologies are thus inflated idea or ideal systems which may be partly true but are not wholly true. They are rigid, not flexible. They are emotional and irrational in their appeal. It is the duty of social and political scientists to compare them, to know their relative strength and weakness, and the danger they constitute to democracy and free society. It is their duty to find out the amount of liberty and tyranny they contain, and the economic good and social justice which they bring.

This book gives us sufficient material to form our own judgement about the nature of various ideologies and their potentialities. If we want to be-

come informed, active and intelligent citizens, so necessary in a democratic world, we must have a comparative knowledge of all the ideologies prevalent to-day.

The writers on communism and fascism show how these 'isms' have led to totalitarian control of human life and the one-party dictatorship. Indeed excluding liberalism and anarchism, all 'isms' lead to a regimentation of human life.

The book also contains interpretative chapters on the Mechanism of European Politics, Parallelism and Progress and Humanism and Labour Movement.

28 March 1949

S. V. PUNTAMBEKAR

LABOUR-MANAGEMENT CO-OPERATION IN UNITED STATES WAR PRODUCTION. (International Labour Office, Montreal, 1948, Pp. 405, \$2.25 or 11s. 3d.)

The purpose of the publication, which has 18 chapters and 9 appendices is to show the vast scope for the participation of employers and workers' representatives in the agencies directly concerned with manpower mobilization and peace production planning, by giving details of the organization and achievements of the numerous boards and committees during war time.

Part I contains a short historical summary of the evolution of labour-management participation, first in the national defence agencies and then in the emergency structure established on the entry of the U.S.A. into the war, and concludes with an indication of the basic programmes used by these agencies for war time manpower and production organization. Part II describes the methods used, primarily, by the War Manpower Commission to carry out voluntary manpower mobilization on the basis of full co-operation between labour and management. Part III deals with the various methods used to draw representatives of labour and management into the war production programme, and in particular with the operation of the voluntary labour-management production committees in individual war plants. Part IV, primarily for purposes of comparison, reviews the methods used by other Government agencies to secure labour and management participation, such as the tripartite organization set up by the War Labour Board for the determination of working conditions, or the informal machinery for consultation of other agencies affecting manpower or production. Part V deals with the methods used and the degree of their effectiveness.

While the report is limited to wartime organization and ends with the close of the war against Germany, it is believed that some of the experience gained during this period may be of use in determining future methods of labour-management consultation. To this end, particular stress is laid on war time experience in dealing with the following questions: how consultative machinery should be set up, what its composition and structure should be, and how committee members should be selected; what functions can be performed successfully by tripartite or bipartite committees, and in what cases more informal methods, such as separate consultation of group interests or of individuals, are required; what methods of operation are most likely to result in cons-

tructive committee work, what is the rôle of a committee's officers, and what staff assistance needs to be given to committee members; and, finally, what formal or informal relationships among committees, nationally, regionally and locally, are most likely to contribute to effective integration of the varied interests directly concerned in production.

The American people are highly individualistic in outlook. Administrative efficiency is not uniform amongst the 48 states. There was, therefore, a good deal of scepticism about the advisability of Government interference in industrial relations. There was also a great reluctance to accept controls, quite often opposing policies were put forward by the executive and Congress. The right to hire, the right to fire and the right to change jobs—these were highly prized by the workers' organizations. But the numerous boards and committees succeeded in making an appeal to the sense of the worker's patriotism and to his own economic safety, and it was made clear to him that no compulsion was intended by such laws as the National Service Legislation.

There were five different stages in the evolution of this labour-management co-operation. The first stage was what is called the defence period—May, 1940, until Pearl Harbour. During this period the United States worked as a benevolent neutral. During the second period, which lasted from December 1941, to October 1942, four new emergency agencies were established, namely, the War Labour Board, the War Production Board, the War Manpower Commission and the Labour Factory Committee. In November 1942, the beginning of the third period the offices of Economic Stabilization and War Mobilization were established with a view to utilize fully the civilian economy for war purposes. By August 1943, wage and price controls were established. Manpower restrictions were exercised through decentralization of authority to local agencies. The fourth stage began towards the end of 1943, with the development of the West Coast Plan for manpower control. Greater inter-departmental co-ordination was achieved and discussions on re-conversion planning were begun by autumn of 1944. The last stage ranged from December 1944, to the close of the war in Europe.

If in such a highly individualistic and capitalistic society as the United States Governmental intervention and tripartite methods could prove so successful in piloting the juxtaposition of capital and labour for *war production*, a perusal of the report under review brings to the reader's mind the question : why not similar efforts be made in India, where the socialist psychology is so universally prevalent, for improving *peace production*? We have had in recent months a number of Ordinances and bans on strikes in the essential services etc., but in actual practice these have only been pious resolutions. A study of the report shows that there have been in the United States a multiplicity of boards and committees, considerable overlapping and a certain amount of apparently superfluous expenditure; but the actual achievement has more than compensated for these minor defects. The Report under review deserves wide publicity among Indian capitalists, labour circles and Government departments.

26 March 1949

S. KESAVA IYENGAR

**INDIAN BANKING AND CURRENCY PROBLEMS.** Edited By Sir Chuni Lal B. Mehta and others (East End Publishers, Allahabad, Pp. 216, 1946, Rs. 10)

The book is a symposium of 20 articles on various aspects of Indian banking and currency problems; it surveys the problems of indigenous co-operative and foreign exchange banking, financing of trade, banking and currency statistics, bill market, stock exchange, India's sterling balances etc. The standard of writing varies from one article to another. Some of the articles, like Nationalisation of Banks in India, had better not been included in the symposium. Some others are based on a clear-headed and balanced analysis of India's present economic maladies. Still others are a mere re-statement of well-known facts, brought up-to-date.

A New Approach to the Analysis of the Theory of Agricultural Indebtedness, contributed by P.S.Narayan Prasad, is the most significant contribution. Mr. Prasad makes out a plausible case for the study of the problem of rural indebtedness in terms of economic theory. It is a fruitful field for statistical investigation by the Reserve Bank of India to reckon how much of our agriculture lies beyond the economic margin of cultivation, the main cause of our rural indebtedness. Surprisingly, though logically, the article concludes with the interesting observation that the number of those who have to subsist on land considerably influences the problem of rural indebtedness.

Mr. Nalini Ranjan Sarkar has made a balanced approach in his article on the Future of Foreign Capital, even though we may not agree with his statement that India is very low down on America's list of lending priorities. Recent events in South-East Asia and the statement of President Truman on the aid for the development of under-developed countries belie Mr. Sarkar's assumption.

Mr. D.V. Rajalakshman provides a good deal of information in his well written article on Official Banking and Currency Statistics in India, and a resume of their history during the last 35 years. One broad conclusion that can be drawn from this study is that, more than ever, the Reserve Bank of India is the pivot on which our economic progress depends.

**INDIAN AFFAIRS.** Monthly Vol. I. Nos. 1 and 2. (Published by the All-India Congress Committee, New Delhi, October and November, 1948, annual subscription Rs. 6 or 12 s.)

The Foreign Department of Indian National Congress has taken initiative in the right direction by the publication of 'Indian Affairs', a monthly journal whose aim is 'the promotion of cultural and social contacts with Indians abroad by interpreting current developments in free India' and to 'serve as a medium through which Indians in mother country can understand the problems of their brethren living in distant parts of the world'.

The reviewer feels that the editors should have laid more emphasis on an objective presentation of basic facts in order to provide information and source material. High-sounding words and phrases could be usefully avoided.

A section on day-to-day chronology of events relating to Indians here and abroad, as an appendix, will serve a very useful purpose.

All the same the publishers are to be congratulated on such a commendable enterprise.

22 March 1949

GIRJA KUMAR

**CO-OPERATION IN CEYLON.** (Written for, and published by the Agricultural Credit Department, Reserve Bank of India, Bombay, 1948, Rs. 2-8.)

This 75-page informative brochure published by the Reserve Bank of India 'with a view to helping the development of co-operative movement in India' is the result of a study and tour in Ceylon of the Chief Officer of the Bank's Agricultural Credit Department.

From 1912, when Ceylon's Co-operatives Ordinance was passed, to the peak war year, 1942, the co-operative movement in Ceylon was, like its Indian counterpart, primarily a credit movement; 75% of the co-operative societies dealt primarily with credit, and the movement touched only 7% of the population of Ceylon. In 1942 came about a revolutionary development. Price controls had come into force; economic conditions had worsened; shortages led to blackmarketing and profiteering, hitting the poorer section of the people in particulars. It was to fight the anti-social elements, to increase production and facilitate distribution that the Ceylon Government extended its moral and material help to the co-operative societies in the country by appointing them their agents under the 'internal purchase scheme'. The Textile and Industrial Societies Union at Jaffna was appointed the agent of the Department of Commerce to distribute yarn. In 1943 the Government started the Co-operative Wholesale Establishment, which (still a Government institution today has a staff of 700) and runs a fleet of 150 lorries. To propagate the ideals of the movement, the Government in 1945, established the Department of Co-operative Development.

Thus in three or four years the movement made remarkable progress; it touched 70% of the population and enveloped the smallest village in the island; the number of societies increased from 2,036 in 1941-42 to 6,531 in 1945-46, the corresponding numbers of members being 91,988 and 1,128,910. What was more important, from a credit movement it had become a consumers' co-operative movement: 75% of the societies had become consumers' co-operatives, as against 25% of non-credit societies in 1941-42.

A good deal, however, still remains to be done; as the brochure points out, the movement has not yet undertaken industrial production, nor co-operative farming. And banking is still dependent on Government support. Besides, the development of the movement is not evenly shared by all the nine provinces of the country, it being particularly strong in Northern Ceylon. The question is asked by the author of this thesis whether the movement, which grew at a phenomenal speed as a result of the war time abnormal conditions, would hold its own when the controls disappear and normal



conditions return. He seems to think that although the Government did extend its support in the beginning, the movement has now taken roots in the soil, that the people have seen the advantages of co-operation and would take it to its logical conclusion, and that all that remains to be done is the 'consolidation of the gains.' Only the coming years will show whether the roots of the movement are really deep.

From the brochure it appears, however, that sufficient attention has not yet been paid to the inculcation of the ideals of co-operation among the people. The two essential factors for the success of a co-operative movement are the members' knowledge of economic subjects and the capital that is necessary for the successful operation of co-operative business. The propaganda side of the movement in Ceylon is still weak and, thanks to the fetish the organizers have made of the nominal share values, savings drive and thrift have not yet been fully utilized.

Nevertheless, the co-operative movement in the Dominion that is our southern neighbour has made remarkable strides, and this brochure is a very welcome addition to the scanty literature that exists on co-operation in the East; it should be particularly welcome to advocates of co-operation in India.

15 March 1949

MADAN GOPAL

#### JOURNAL OF THE SCIENCE CLUB, CALCUTTA.

This Journal, the first issue of which appeared in August 1947, is a publication of the Science Club, Calcutta which was formed early in 1940 by a small number of young scientists in different institutions in Calcutta, academic and industrial, with the object of developing and fostering a spirit of fraternity and fellowship among scientists engaged in different branches of science and industry, and also of providing a meeting place for the exchange of ideas and views, not only on matters of scientific interests, but also on questions concerning the impact of science on society and human welfare. The club, since its foundation, has done splendid work. The pioneering efforts of Prof. R.C.Majumdar, Dr. A.K. Datta and Dr. N.K. Munshi deserve special mention.

The different issues of the journal contain articles on various subjects such as 'Post-war Planning for the Supply of Drugs and Medicinal Requisites' by U.P. Basu; 'Some Aspects of Chemical Industry in India, the U.K. and U.S.A.,' by S.P.Sen; 'Cobra Venom,' by S.R.Mitra and N.K. Sarkar; 'Psycho-Analysis: Its Origin, Nature and Importance to Society,' by Anima Sen Gupta; 'Physics in Industry,' by K. Banerji and so on. Speaking generally, the articles contain valuable information, are well-documented and are written in a way which is entertaining—but not at the expense of scientific accuracy. It is a venture that deserves to be welcomed and encouraged.

In the opinion of the reviewer, the journal should find a place in the library of every school, college and Government scientific department.

28 January 1949

D. S. K.

**THE UNITED STATES AND CHINA.** Edited By Prof. John King Fairbank  
•Introduction by Sumner Welles (American Foreign Policy Library,  
Harvard University Press, Cambridge, Massachusetts, \$ 3.75).

The title of the book will indicate that it is devoted to the discussion of Sino-American relations but actually it forms a valuable compendium of political, cultural, economic, religious and social developments of China from the earliest to the present times. Except its (concluding) Chapter XIV, American Policy Toward China and Appendix I, on General Marshall's statement on Kuomintang-Communist peace negotiations, the book tells us as much about the ramifications of Chinese history as about the varying contributions of the United States to the development, or degeneration, of the socio-economy of Asia's biggest country inhabited by 400 million people.

Since China's contact with European nations towards the beginning of the 18th century, many books have been written on Chinese history and culture. Prof. Fairbank's book is one of the best in recent years. Its rich informative materials, sober conclusions, unbiassed views, broad and sympathetic understanding are a brilliant feat of logic and imagination. With its Appendix II, 'Suggested Reading on China', the four maps and the chronological chart, the book will prove very helpful to all those interested in Chinese history and culture. It deserves a place in every well-equipped library of Asia.

The author has lived in China for seven years, at different periods before, during and after the war, has studied the Chinese language, has extensively travelled in 17 Chinese provinces, and has devoted his time and enthusiasm to solve the biggest and most tragic international problem of the day—the problem of preventing civil war in China and the winning of peace for humanity.

The book is also valuable for the account it gives of the Chinese Communist movement which is now rapidly spreading from North to Central, East and South China, an event which, with the spread of Communism in South East Asia, is of considerable importance to this country. Prof. Fairbank distinguishes two types of influences of Russia on Communist China. The first is strategic or ideological, the second tactical or operational. The Chinese Communist expansion into Manchuria after the Great War was the result of the second influence. The native Chinese Marxist revolution, directed from Yenan, for the first time contacted the power of Russia on the Amur, in North Korea, and in Dairen and Port Arthur, as facilitated by the Yalta Agreement. The book traces the development of the two wings of Chinese Communism, the 'native wing' under Mao Tse-tung and the 'foreign' wing working under direct Russian influences.

Looking to the recent disasters in China, the incompatibility of the Yalta Agreement, the Cairo Declaration and of the United States' traditional 'non-intervention' policy towards China stands out clearly and calls for an early review. Prof. Fairbank observes that since 1900, the United States' policy has oscillated between involvement and abstention, action and inaction, and it may be doubted whether the Japanese, or Chiang Kai-shek, or the Chinese

Communists have changed as greatly as American opinion concerning them has changed.

As the most powerful individual in world politics today is Generalissimo Joseph Stalin, and the nation with the most powerful voice is the United States of America, the peace and happiness of China depends on Powers beyond her borders. To China, one would say in the words of Hiawatha, quoted by the Rev. Gilbert Reid in his book *China, Captive or Free?*

I am weary of your quarrels,  
Weary of your wars and bloodshed,  
Weary of your prayers for vengeance,  
Of your wranglings and dissensions:  
All your strength is in your union.  
All your danger is in discord;  
Therefore be at peace henceforward,  
And as brothers live together.

V. G. NAIR

SCIENCE—OUR NEWEST FRIEND. By Shanta Bhandarkar (Padma Publications, Ltd., Bombay Pp. 55. Rs. 1-8).

Shanta Bhandarkar deserves praise for her attempt to bring out this small book. Our children have little knowledge of the marvels of modern science. A book like this will go a long way in revealing to the young mind 'the fascinating and inspiring world of science.'

The fairy-story aspect of presentation if the subject is quite novel and must appeal to the young mind. 'The intricate, though interesting, facts of science are presented to the readers in an attractive and lucid manner. Most of the astonishing achievements in the diverse branches of science, engineering, medicine, agriculture, physics and chemistry—have been successfully included within the ambit of this small volume.

The instructive illustrations and the attractive binding and get-up add to the value of this little publication. It should not fail to become a favourite among the intelligent youth of our country.

15 January 1949

G. K.

STALIN AND GERMAN COMMUNISM. By RUTH FISCHER (Harvard University, Cambridge, Massachusetts; U.S.A. 1948, Pp.687, \$ 8-0-0).

This book is eminently fitted to resuscitate old controversies. Trotsky's theory of permanent revolution, the Zinoviev Letter, the triangular contest during the last years of Lenin between Trotsky, Zinoviev and Stalin for succession in the Party and the resulting purges, had, in their own days, raised a whirlpool of dust which had more or less settled down after the final establishment of Stalin's ascendancy. This fresh attempt to blow off the ashes and re-ignite the dying embers of revolutionary international socialism, however, is unlikely to achieve its objective.

This is a definitive addition to the growing anti-Stalinist literature; but it should not, on that account, be dismissed as mere propaganda, though its denunciations against Stalin may well be used by capitalist Powers to discredit the ideology for which Russia stands. There are some people who value a book because its conclusions confirm their convictions. But conclusions, are mainly a matter of premises, and Ruth Fischer's conclusions follow inevitably from her premises. She herself was in the thick of the fight, being 'charter member No 1' of the Communist Party of Austria, one of the first Communist parties in Europe. As an active member of the Zinoviev-Trotsky bloc, she had incurred the hatred of Stalin. It is understandable, therefore, that she decries the man who, in the light of her values, seems to have sacrificed a great cause at the altar of personal power. Many of us, however, are not wedded to totalitarian ideologies of any brand; we hold to the excellent principles of Sir Roger de Coverly-(May his tribe increase!). We are democratic and, therefore, pluralist enough to believe that many concrete embodiments, more or less satisfactory, of the good society are possible, and a number of more or less practicable ways exist to reach some one or other of them. We are not, therefore, called upon to take sides in this historical controversy, or to pronounce on the validity of historical judgements which in our view must necessarily be subjective in character. Hence we may disagree with Fischer's conclusions, and yet marvel at the consummate ability with which she arrives at them.

It is unfortunate that some people see and speculate on dirt, squalor, vice, ugliness and the abysmal degradation in the world around them. Nevertheless, we cannot deny the depth of their thought, the subtlety of their logic or their imaginative insight into men and situations. For qualities such as these, the author deserves from all her readers the warmest tribute. There are imperishable pen-portraits of many a leader who fought and suffered and sometimes paid the extreme penalty in the local revolts and skirmishes among the many factions, Right, Centre, Left, Ultra-left, of socialist parties in Germany and Russia during 1918-29: Lenin, Luxemburg, Trotsky, Zinoviev, Bukharin, Stalin, Radek, Clara Zetkin, and many others. With an almost uncanny instinct, she lays her finger on the foibles and weaknesses of the great men and women with whom she came into contact and she writes with a restraint and understanding of which a woman is capable.

The central theme of the book is the internal Soviet struggle for supreme power in the party during the years immediately preceding and following Lenin's death, with history of the German Communist Party from 1918 onwards as background; according to Fischer, to the day of his death, Lenin held fast to the concept of revolutionary internationalism, and believed that the first socialist victory would be achieved in Germany. It was Stalin who, to suit the exigencies of his power politics, introduced a decisive break with Leninism and substituted 'socialism in one country' for revolutionary internationalism. Russian national socialism is Stalin's contribution to the making of Nazi Germany. Fischer adduces evidence to show that, in contrast to Lenin's grand strategy which had as its cornerstone the German

revolution, Stalin's German policy found its basis in the fear of the German revolution. Directed from Moscow, the German Communist Party was made a silent spectator of the Nazi régime. In spite of the opening of Russia's anti-Fascist front on the one hand and Hitler's Anti-Comintern Pact, on the other, secret Russo-German agreements were never absent, and they finally culminated in the non-aggression pact of August 1939.

If this analysis is correct, humanity may have a sigh of relief that there is no danger in the near future of any war on a world scale between the opposing ideologies of capitalism and communism, for if it is only Red imperialism facing that of America, some kind of balance may still be maintained, provided that Stalin is assured of an undisturbed security of his imperial throne. Such an interpretation would mean, however, that the accidental factor of unscrupulous leadership has caused a major deviation in the currents of historical development.

This review, however, will not pronounce judgement on the relative merits of Stalinism or Trotskyism, which is alleged to be derived lineally from Leninism but will confine itself to a discussion of some general features of the situations discussed in the book and particularly to pointing out interesting parallels between developments in this country and those in Russia and Germany.

As one threads one's way through the tangled skein of events in post-Revolutionary Russia, the personality of Lenin stands out majestically amidst the ruins of counterfeit greatness. To be great is to be misunderstood, and Lenin had had full quota of misunderstanding. To many of his devoted followers his policy appeared highly inconsistent and dangerously near sheer opportunism; to the visionary socialists, of the type of Rosa Luxemburg, it appeared a stark betrayal of the great cause. Lenin, like Gandhiji, was magnificently inconsistent; to appreciate him fully, we must learn to distinguish between the wooden, mechanical consistency that is the hobgoblin of little minds, and the higher consistency of a policy developing dynamically in organic, living relations with the changing situation, which is characteristic of the statesman of genius. One supreme illustration must suffice: In 1919, Lenin maintained, against the opinion of the Left Communists, the 'National Bolsheviks' and 'the Independents', that the German Communist Party should accept the Treaty of Versailles. He wrote:

To put liberation from the Versailles peace absolutely, unconditionally and immediately in the forefront, *before the question* of liberating other countries oppressed by imperialism from the yoke of imperialism, is petit-bourgeois nationalism and is not revolutionary internationalism. . . . To tie one's hand beforehand, openly to tell the enemy, who is now better armed than we are, whether and when we shall fight him is being stupid, not revolutionary; to accept battle at a time when it is obviously advantageous to the enemy and not to us is a crime; and those politicians of the revolutionary class who are unable to manoeuvre, to compromise in order to avoid an obviously disadvantageous battle are good for nothing (p. 96).

To those who make a fetish of the doctrine of purity of means, this might appear as opportunism pure and simple. The visionary, utopian socialists, with an 'organic inability to grasp the realities of the moment', will regard this as highly inconsistent with their declared goal. Rosa Luxemburg belonged to this type. Fischer has drawn a fine contrast between her and the great Lenin: 'Lenin always had his eye to the immediate problem to the actual possibilities, to what is to be done, Luxemburg looking over these to her vision of the socialist future, and then returning from this to the present' (p. 27). At the opposite pole stands the true opportunist, a thin line separating him from the realists of genius like Lenin. He is a veritable political weathercock, gyrating with every gust of the wind, an adjusting gymnast *par excellence* with no higher ideal than pure personal power. Political parties in this country may well make an introspective study to find out to which class they belong.

Another controversial point which figures prominently in Stalin's defence of the dictatorship of the communist party, as distinguished from that of the proletariat, is Lenin's concept of the rôle of the communist party in socialist revolution. Lenin quoted Engels to the effect that socialism having become a science must be studied; and he agreed with Kantsky that the vehicles of science were not the proletariat but the bourgeois intelligentsia. Such of them as come over to the revolutionary movement must be taken into the proletarian party. It is their business to inspire among the workers the higher form of political consciousness which, unlike trade union consciousness, they cannot develop spontaneously. This guiding elite constitutes the central body of the party. Its directives are transferred to the branches through professional revolutionaries, men who submit their entire being to the necessity of carrying out the orders from the centre. This revolutionary fraternity is the pivot round which the whole organization revolves (p. 19). Rosa Luxemburg rejected this concept of Lenin and fought for a more democratic workers' organization, because she submitted that the errors committed by a revolutionary labour movement were immensely fertile and valuable than the infallibility of the most perfect central committee. Fischer accepts Lenin's concept and further agrees that 'Stalin's state party does indeed stand on the foundations of Lenin's Bolshevik Party'. Why, then, is Stalin's party denounced with so much vehemence?

To seek support for the totalitarianism of Stalin's state party from Lenin's concept of a revolutionary underground organization is to be unhistorical and guilty of mechanical thinking. It is undialectical to extrapolate the dictatorship of the party beyond the moment of its attainment of power. Fischer pays an ungrudging tribute to Lenin's organizational ability in building up a highly disciplined party.

'To create an *esprit de corps* and to enforce party discipline, Lenin had nothing more than his spiritual superiority; he had no salaried trade union posts to offer, no publicity, no political career, not even the pleasure of personal recognition..... Such an organization bred another type of man than the agent of the party in power..... The great lacuna in

Leninist theory was precisely its failure to anticipate that such a party, when it reached the pivotal position of unlimited power, would develop unexpected forms, take unforeseen leaps, encounter new and complex problems of social organization' (p. 635).

This illuminating distinction deserves to be specially borne in mind in this country at the present juncture. The almost dictatorial hold which the Congress Party had established over the people's mind by the suffering and sacrifices of its members in the long and determined struggle for freedom could not be exercised except in the service of the people till freedom was won. Now, when the Congress Party is clothed with all the pomp and panoply of governmental power, the position is entirely different. It becomes easy to identify the interest of the present incumbents of authority with that of the party, and of the party completely with that of the country. The use of the most dictatorial methods for the preservation of the monopoly of power of the ruling group then becomes a sacred duty, undertaken even against one's will, for the sake of national good!

It is difficult to understand why, when once power has been achieved by a socialist party, or freedom won from foreign rule, the utmost scope should not be given to the working of democracy. Short of an attempt at capitalist counter-revolution, or the bartering away of hard-won freedom, every individual or party should be allowed freely to contribute his or its mite to the realization of social good. The fundamental basis of democracy is the realization of the fact that no individual or group is so omniscient as to know in all its concreteness the multi-dimensional structure of national good. Progress, that is the realization of the higher values of life, is essentially an inter-personal process, and to attempt to confine it within set channels is utterly to destroy it. The danger of being overthrown can never be averted by assuming dictatorial powers; it can be averted only by practising well the art of government which teaches us when to make timely concessions and when to how to popular will. To try to build monolithic power is to give to the party what is meant for the country or humanity.

There are many other excellent suggestions, significant for our country in its present *political phase*. For want of space only a few can be mentioned here. The huge reparation payments imposed on Germany led the Soviet economists, Varga, Bukharin and others, to formulate the theory that it was an attempt to transform Germany into an industrial colony of the West. Their idea was to implement the Treaty of Rappallo (1922), concluded between Russia and Germany, by emphasizing the necessity of creating a national front of all classes against the Entente. Fischer argues that this was to discover a new rôle for the German bourgeoisie, which was no longer to be regarded as the enemy of the workers but a victim of Anglo-American greed. Thus, in her view, was to pervert the labour movement of Germany by shifting the emphasis of the class hatred from its historical object to the Entente and to prepare the ground for the rise of Nazism. (p. 199).

It must be remembered that Lenin himself defended (against Luxemburg) the idea of the nation and the right of self-determination; it was necessary in

his fight against Tsarist imperialism. (The fact that the Communist party of India stood aloof from the struggle for liberation from the yoke of British imperialism is mainly responsible for the discredit into which it has fallen). Nevertheless, Fischer's warning needs to be borne in mind. Independent capitalist Governments often attempt to bribe, intimidate or coerce the workers in the name of national unity or freedom. In a capitalist economy, some crisis—production crisis, foreign policy crisis, or internal class-conflict—is always obligingly in waiting. Those who believe sincerely that such conflicts can be reconciled within the structure of capitalism might well toy with such ideas as the Sarvodaya movement in this country, but all workers' parties must always be on the alert not to allow such sabotaging of the labour movement by an attempt to subordinate the good of the workers to the supposed national good. Such a policy, it must be remembered, is the beginning of fascism.

Finally, a word may be said in defence of Stalin. The gravamen of the charge against him is that he literally hewed his way to glory. Assuming that to be substantially true, may one ask whether Stalin stands convicted from the standpoint of totalitarian ethics, as distinguished from those of democracy? Is it not my sacred duty to fight for a programme which I am convinced I alone can efficiently implement? The dictatorship involved is of a piece with that unconditional self-assurance that characterizes the prophets of all times, men like Buddha, Jesus, Gandhiji. It is a case where duty dictates what I most passionately desire. One suspects that Trotskyism is still lost in the meshes of the formal, Aristotelian logic; it cannot stand the test of the logic of change, of process, of experiment and discovery.

Except its treatment of Trotskyism, Ruth Fischer's book is exceptionally valuable, and no student of international affairs can afford to ignore it. We await with interest the promised subsequent volumes which will bring the story up-to-date.

26 March 1949

N. A. MAVLANKAR

**CALENDAR OF SOVIET DOCUMENTS ON FOREIGN POLICY, 1917-1941.** Compiled By James Degras (London: Royal Institute of International Affairs, 1948, 18s. net).

A useful work of reference.

M. MUJEEB

**CHARTERS OF OUR FREEDOM.** By Reginald G. Trotter. (Ginn and Company, Toronto)

Interpreting the course of history great historians like Lord Acton and Croce have concluded that political, economic and social freedom is the end towards which humanity strives. But its path is difficult and its progress slow.

The book under review has done useful service by putting together a number of documents which are landmarks in the growth of freedom in Britain and her self-governing colonies. The documents range from *Magna Charta* to the Atlantic Charter and include *Magna Charta*, (1215), *Bill of Rights*



(1689), *Lord Durhams Report* 1839, *the Statute of Westminster* (1931) *Atlantic Charter* (1941).

The book also narrates the conditions which led up to each document and estimates its results. These charters tell us about individual liberties, group liberties, parliamentary privileges, colonial liberties; the rule of law and the nature of responsible government.

These documents are not high-sounding or revolutionary, but solid practical statements of the liberties enjoyed by the Englishman in his country and colonies under the rule of law.

The greatest achievement of England is the development of constitutional government. Place Law above the ruler and guard the liberties of the subject—that, as shown by this book, is the meaning of parliamentary democracy established by England.

26 March 1949

S. V. PUNTAMBEKAR

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## CONTRIBUTORS TO THIS ISSUE

SIR S. VARADACHARIAR was Judge of the Federal Court of India from 1939-46.

MR. H. VENKATASUBBIAH is author of *Asia in the Modern World* and the Delhi Editor, *Indian Finance*.

MR. H. V. HODSON is Editor, *Sunday Times*, London.

DR. GIRIJA MOOKERJEE had spent several years in Europe and is Director of Surveys and Documents, Indian Council of World Affairs, New Delhi.

MR. C. G. RAMASUBBU is an official of the Department of Research and Statistics, Reserve Bank of India, Bombay.

MISS GADYS RASID is on the editorial staff of the Indonesian Weekly *Siasat*.

DR. S. P. CHABLANI was professor of Economics of the D.J. College, Karachi, is Private Secretary to the Hon'ble Minister for Rehabilitation, Government of India, New Delhi.

MR. GURMUKH Nihal SINGH is Principal, Ramjas College, Delhi; is author of *Landmarks in Indian Constitutional and National Development*.

MR. P. KODANDA RAO has made a special study of racial relations in America and is author of *East versus West: A Denial of Contrast*.

DR. SUSHIL CHANDRA SINGH is attached to the Department of Politics, University of Saugor, Saugor.

MR. GIRJA KUMAR is Librarian, Indian Council of World Affairs, New Delhi.

MR. P. RAMASWAMY is the Delhi Correspondent of the *Ceylon Daily News*.

MR. R. P. PATWARDHAN was for many years Director of Public Instruction, Bombay and is himself the author of a book on Civics.

MR. D. D. KALIA is on the staff of the All India Radio, Jullundhur.

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## FUNDAMENTAL RIGHTS IN THE NEW CONSTITUTION<sup>1</sup>

By S. VARADACHARIAR

THIS is the first of a series of papers planned by the Indian Council of World Affairs with a view to disseminate knowledge of and promote discussion on different aspects of the new Constitution of India. This paper deals with two groups of provisions in the Draft Constitution, Part III relating to Fundamental Rights and Part IV relating to Directive Principles. As my main purpose in this paper is to make some comments and offer some suggestions under a few heads I content myself with stating very briefly the substance of the provisions enacted by these Articles. For fuller information as to their contents, reference may be made to the published report of the draft.

Though the Preamble to the Draft Constitution has not yet been discussed and passed by the Constituent Assembly, it may be useful to refer to it as epitomizing the scheme of the Constitution Act. It declares the determination of 'the people of India' to constitute India into a sovereign democratic republic; and the aims of the new State are described to be:

(A) to secure to all citizens

(1) Justice

- (a) social,
- (b) economic, and
- (c) political,

(2) Liberty of

- (a) thought
- (b) expression
- (c) belief
- (d) faith, and
- (e) worship,

(3) Equality of

- (a) status, and
- (b) opportunity; and

(B) to promote among all citizens fraternity, so as to assure

- (a) the dignity of the individual, and
- (b) unity of the nation.

This collocation of words has a thrill of its own, as it recalls the language of the famous French Declaration of 1789 'Liberty', 'Equality' and 'Fraternity'. The Articles which enunciate Fundamental Rights and Directive Principles may be regarded as an expanded statement of the aims and purposes

<sup>1</sup> A talk delivered under the auspices of the Indian Council of World Affairs on 25 May 1949.

set forth in the Preamble and an enunciation of the rights of citizens implicit in these aims and purposes. The rest of the Constitution Act provides the machinery required to carry out these aims and give effect to these rights; these machinery provisions are grouped under the three familiar heads 'Executive', 'Legislature' and 'Judiciary'. The federal character of the Constitution involves a statutory distribution of these powers between the centre and the units and provisions have also to be made to harmonize their working.

Reading the Articles relating to Fundamental Rights and Directive Principles in the light of the above description as to their purpose, it will be noticed that Article 30 reiterates what is contained in the statement of the aims in the Preamble under the head 'Justice, Social, Economic and Political' and Articles 31 to 38 elaborate this conception. Articles 9, 10, 11 and 15 amplify the implications of the principle of equality, including both equality of status and equality of opportunity. Articles 13, 15, 16 and 19 to 22 elaborate the principle of liberty under different heads while recognizing the necessary limitations which have to be imposed on individual liberty to reconcile and harmonize it with the interests of organized society. Article 25 takes note of the principle that rights are secure only when they can be safeguarded and asserted by appropriate remedies. Articles 31A and 38A relating to village life and agriculture have a special significance in the Constitution of this country as also the provision in Article 39 relating to historic monuments and that in Article 39A relating to the separation of Judiciary from Executive. Article 40 provides for the rôle to be played by India in the international sphere. Article 14 reproduces in clauses (2) and (3) the well-established principle of criminal law that no person shall be prosecuted and punished more than once for the same offence and no accused shall be compelled to be a witness against himself. Clause (1) of the Article deserves to be noted, because it settles, in consonance with Justice, a point on which the English law has insisted on differing from the American law; it has laid down that there shall be no *ex post facto* legislation in criminal law. Articles 23 and 23A deal with the culture and education of minorities and Article 26 makes special provision with regard to the availability of 'Fundamental Rights' to members of the Armed Forces and the Police.

Article 8 requires special notice because it is to the provisions of this Article that a large part of my observations will be directed. It contains three directions: (a) all existing laws in so far as they are inconsistent with the provisions of Part III shall to the extent of such inconsistency be void; (b) the State shall not make any law which takes away or abridges the rights conferred by Part III and (c) any law made in contravention of this clause shall to the extent of the contravention be void. Even while enunciating Fundamental Rights, the draftsmen had recognized that some of them might have to be supplemented by or subjected to future legislation, e.g., Articles 10 (2) (a), 11, 16, 17, 25 and 26, either to carry them out or to restrict them. Article 27 provides that such legislation can be enacted only by the Central Legislature. Existing laws had also to be saved in certain respects, eg., the pro-

viso to Article 27 and clauses (2) to (6) of Article 13. Future legislation was expressly permitted by clauses (2) to (6) of Article 13 in respect of certain matters; and it is noteworthy that such legislation is not restricted to Central legislation.

Before passing on to my main theme, I pause to make one observation by way of caution as to the possible use to which Article 35 may be put. The general principle of religious freedom and religious neutrality now enunciated does not differ very much from what in theory was understood to prevail (if we leave alone the Established Church) even during the British administration. But the frequent description of India by our leaders as a 'secular State' has led to the conviction in some quarters that some fundamental change has taken place; and the plea has sometimes been voiced in the Legislative Assembly that there should no longer be 'personal laws' in this country, like Hindu Law, Muhammadan Law, etc. I do not propose to discuss the merits of this argument, but it occurred to me that the provision in Article 35 about the securing for the citizens of India 'a uniform Civil Code' might be interpreted in some quarters as a *mandata* for the abrogation of all 'personal laws'.

The idea of preparing the list of Fundamental Rights in two parts, viz., Fundamental Rights (strictly so-called) and Directive Principles, seems to have been suggested by the Fundamental Rights Sub-Committee; the former group comprises rights which are expected to be enforced by appropriate legal processes, while the second only enunciates principles of social and political policy which, though regarded as fundamental in the governance of the country, were not such as could be enforced by judicial process. Writers on Constitutional Law have differed as to the utility or expediency of embodying in the Constitution anything in the nature of general principles of governance; and I notice from the Assembly debates that some people here shared these doubts. Referring to some of these general principles that appeared in the Bills of Rights of some of the American States, the *Federalist* ridiculed the aphorisms, observing that they would sound better in a treatise of ethics than in a Constitution of Government. Wynes, referring to the 'tendency in recent times to extend the number and variety of matters sought to be thus protected', observes: 'the necessity for the insertion of declarations of rights in constitutional charters is a striking testimony to the weakness of popular governments'. But, in the circumstances in which the new Constitution of India is coming into existence, it is perhaps well that these aims and principles should be prominently set forth in the Constitution. Even in England, where basic rights like those of personal liberty, freedom of discussion and freedom of assembly are treated as common law rights, it was at one time thought necessary to provide for them by historic documents like the Magna Carta, Bill of Rights and the Act of Settlement. More importance has sometimes been attached—and rightly attached—to the declaration and protection of *individual* rights, but the modern trend is to shift the emphasis of the Constitution from individual liberty to the provision of services for the general good and the modern collectivist State may well be

expected to reflect in its legislation the political outlook of the times. It is of course true, as has sometimes been pointed out, that during the monarchical régime, such documents which represented a treaty between the King and the subjects were intelligible and were indeed necessary to protect the subjects against the autocratic exercise of the Royal Prerogative and no such danger need be apprehended when a popular government is in power. But in dealing with the present situation in India, the matter has to be looked at not merely from a political or constitutional point of view, but also from a psychological angle.

It has been said that an oppressed nationality which has had to fight continuously for its national self-expression could scarcely have had an adequate interest in the higher problems of civilization and the process of a wholesale economic and political reconstruction could start only after the pathological over-estimation of certain problems engendered during the previous régime had been set right. Planning in such a situation involves profound issues of social philosophy, as it implies the redirection of social and economic forces from the paths which they would follow if left to themselves. The problem is thus ethical, i.e., a question not merely of means but also of ends. Its two aspects are: In whose interests shall we plan; for what purposes shall we plan? Half-way measures and half-hearted measures will naturally bring the disadvantages of both *laissez faire* and socialism without the advantages of either. It is also well to emphasize that the economic, political and other aspects of social questions cannot be considered in water-tight compartments. It is best to recognize that ethics and politics are to a large extent interwoven.

The stability of a community, especially if it is to be a democratic community requires that there should be no considerable class with a burning sense of injustice. Once the necessity for some fundamental change in the existing order is established as the only alternative to a violent upheaval, it is best that this ideal and the resolve to work up to it are openly acclaimed so as to remove all doubts from the minds of different sections of the community and call upon them to co-operate towards the realization of that ideal. But it must also be borne in mind that in the attempt to abolish what is evil in our present society, we should not destroy what is worth preserving, nor run the risk of substituting new abuses and injustices in the place of those abolished. If pressure has to be used, it must be gradually applied; fanaticism in speeding up progress is as dangerous as the other extreme of inertia. Unless all men are united in a common zeal and a high endeavour, the forces of disunion will sooner or later triumph. The absence of sanction in the form of judicial remedies is not of much consequence; the ultimate sanction after all is the strength of public opinion and the clear statement of the ideal as well as of the means and measures by which it is hoped to achieve it is probably the best method of guiding and strengthening the public opinion which is so essential for the success of democracy.

As the working of democracy is based on consent, the principle of social justice is not only a question of ethics but also a pre-condition of the functioning of democracy. Today, freedom will not consist in non-interference

by the State but in a control which gives guidance in a democratically agreed direction. This makes it both necessary and expedient to state explicitly that the State has a responsibility to help the social, economic and ethical revolutions called for by the time to proceed in a smooth and orderly course. Some modern sociological jurists claim not only that the law must recognize the priority of social interests but that it must start from the premise that individual interests are to be secured by law only because and to the extent that they are social interests.

It has sometimes been said that where the Constitution creates a government with only enumerated powers, it is not necessary to formulate Fundamental Rights because the subjects thus sought to be protected would not have been entrusted to the Government at all in such cases. The force of this argument is open to question, because even a Government with limited powers cannot resist the temptation to over-step them. In any case, this argument cannot apply to the Indian Constitution as now proposed, so far at any rate as the powers of the Union administration are concerned, because though an enumeration of powers has been attempted, it is also proposed to invest the Union Government with all 'residuary' powers.

It does not, however, seem to me necessary to have a provision (Article 29) stating in terms that the principles laid down in Part IV are not enforceable by any court, though it shall be the duty of the State to apply these principles in making laws. By the very inclusion in the Constitution of the rules now embodied in the Directive Principles, the obligation of the State to give effect to them as far as possible is implied. This provision has presumably been inserted with a view to emphasize the distinction between the provisions of Part IV (relating to Directive Principles) and those of Part III relating to Fundamental Rights, but the distinction it seems to me, is not by any means so well marked as to justify the differentiation attempted. It is true that it has often been said that rights by themselves are of little value unless adequate remedies for their enforcement are provided for; but this is more true in private law than in public law. In public law, the emphasis is more on *duty* than on *right*, because it will often be difficult to postulate the particular individual or individuals in whom the correlative right can be said to be vested. It is a well recognized principle governing all proceedings to enforce the duty of public bodies created by statute that there is a distinction between misfeasance and non-feasance. In a case of misfeasance, a right of action is recognized in a person whose existing legal right of some kind may have suffered an injury by reason of the misfeasance; but in the case of non-feasance, it is the public at large and not any specific individual who can complain and that too not always, of anything in the nature of the 'infracton of a right'. Hence, the only sanction in cases of non-feasance is the sanction of public opinion or appeal to political or administrative authority and not enforceability by action at law. This can be illustrated by reference to more than one provision in Part III.

Take for instance Article 10, clause (1), which provides for equality of opportunity for all citizens in matters relating to employment or appointment



to offices under the State or take the provision in the latter part of Article 15 that no person shall be denied equality before the law or the equal protection of the laws, or the provision in Article 23 that any section of the citizens residing in India or any part thereof having a distinct language, script or culture of its own, shall have the right to conserve the same. These are all well-understood principles of policy; but no system of law knows of remedies by which they can be *positively* enforced in the mere event of non-feasance. It may sometimes happen that a violation of them may necessarily involve a violation of a recognized existing legal right. In such cases, it is the existing legal right that entitles the person concerned to seek redress in a court of law. As regards provisions made in some of the other Articles in Part III, no remedy in a court of law can be sought on the provisions as they stand; but if they are followed up (as is evidently contemplated) by the enactment of penalties for the infringement thereof they may become enforceable in a criminal court. For instance, Articles 11 and 17 specifically provide that certain acts will amount to an offence; such acts can be made a ground for prosecution even on the provisions as they stand. But take clause (2) of Article 12 which prohibits any citizen of India from accepting a title from any foreign State, or clause (18) which prohibits the employment of children below 14 years in any factory, mine or other hazardous employment. It is doubtful whether independently of further legislation these acts can be made a ground for prosecution, but such legislation can be enacted even without any reference thereto in the Constitution Act.

Article 25 refers to certain remedial processes well-known to the English law; their introduction into the Indian law by an express provision is welcome because under the existing law, the High Courts have been held not to possess most of these powers, except within the limits of the presidency-towns. But the scope and history of these processes in the English law which will naturally be followed here will not warrant their extension to cases arising under some of the provisions in Part III. The general reference in clause (1) of that Article to 'appropriate' proceedings will not carry one much farther because the maintainability of such proceedings will depend upon the question whether any and what *rights* have been conferred by Part III. The Court will construe the term 'rights' only in the sense ordinarily known to jurisprudence and I have endeavoured to show that many of the provisions even in Part III cannot be regarded as conferring rights in that sense. Every provision desired in this behalf can appropriately be made in that part of the Constitution which defines the powers and duties of the judiciary.

As indicated already, I propose to address myself at some length to the provisions and implications of Article 8. Taking the first part which declares all existing laws to be void, so far as they are inconsistent with Part III, I would observe that a sweeping declaration in these terms seems to me unworkable. Every lawyer knows how difficult it is in many cases to say whether and how far two provisions are 'inconsistent' with each other or how far one of them *contravenes* the other. By force of clause (3) of the Article, this principle must be held to govern even 'custom' or 'usage'. It will, in my opinion, be an

undue and unfair extension of the presumption about every man knowing the law<sup>7</sup> to call upon every one to decide for himself what law or custom or usage has become *void* by reason of this provision. The least that the State should do is to repeal the particular provisions of existing laws which in its opinion should no longer be held to be good. As regards 'custom' or 'usage' central or local legislation must specifically declare which of them have become or how far they have become unenforceable under the new régime; otherwise, there will be great uncertainty till many uncertain points have been finally pronounced upon by courts of law. The next provision that the State shall not make any law which takes away or abridges the Fundamental Rights is, in my opinion, not defensible in theory. The third provision that any law made in contravention of this last prohibition shall to the extent of the contradiction be *void* is in any event inexpedient in that form. Many of my observations, while dealing with the last topic will also bear on the best way of dealing with cases where legislation is impugned as being *ultra vires* the legislature which passed it, on the ground that its subject-matter has been exclusively assigned to another legislature.

The conception of Fundamental Rights involves, as the result of historical accidents, one or two elements which it may be useful to note, before determining how far the rule of rigidity should be attached to them. At a time when political science was influenced by theories based on the Law of Nature and an imaginary Social Contract, there existed an idea that certain rights of men were *inalienable* and could not, therefore, be surrendered or be deemed to have been surrendered to the State. Freedom of thought and liberty of the person were conceived to be such rights and this idea of inalienability has merged to a certain extent in the conception of Fundamental Rights. Another historical accident which has affected this conception was the particular situation in which the Union of the American States into the United States took place. Each of the American States which came together to form the union was independent and it was in the nature of a treaty that the union was formed. It was then felt that there was a danger that the more important States might eclipse the influence of the less important States and to guard against it the constitution of the United States made a special provision which was the only immutable provision in the Constitution, to the effect that the representation of the several States in the Senate should not be altered. If we put aside special considerations relating to these two categories, the conception of Fundamental Rights merely involves the idea that certain rights are so basic in their character as to justify special treatment based on their importance. This consideration may justify the express enumeration of such rights in the constitution, but I venture to doubt whether it will warrant a provision that they can be altered only by the special procedure prescribed for constitutional amendments. The position may be different if, as in Canada, there were delicate local questions, such as, for example, the French language, education, Civil Code and Procedure in Quebec.

Firstly, I venture to think that any provision of rigidity in respect of particular clauses in the constitution will offend the principle of sovereignty of

Parliament. It is necessary in this connexion to emphasize a distinction between the circumstances in which the U. S. A. Constitution came into existence and the present Constitution in India is being enacted. In the U.S.A., the Union was formed (i) for a limited purpose, and (ii) by pre-existing sovereign States, because when the American States declared themselves independent of England, each of them became sovereign. The theory of the Constitution therefore was that they surrendered only certain powers to the Centre. The Union Government was, therefore, not 'sovereign'. Even the 'States' were no better because the sovereignty of the States was qualified by the theory of the sovereignty of the people. Unlike the British Constitution under which (as explained by Dicey) the sovereignty of the people is only a political fact and not a juristic fact, the American Constitution expressly asserted the sovereignty of the people as a juristic fact and described the powers of the States as well as the powers of the Union as only enumerated powers 'delegated' to them by the people. In Constitutions (like those of Australia and Ireland) where the referendum procedure forms part of the Constitution, it may be possible to say that 'popular sovereignty' is a juristic fact. But I do not imagine that it is the intention of the Indian Constitution to adopt this basis of the U.S.A. Constitution or even of those of Australia and Ireland. Under the Indian system, the sovereignty of the people is only a political fact and not a juristic fact and there is no question of 'delegated powers' or of a pact being entered into by pre-existing sovereign or independent States. On the other hand, we have only been breaking up a pre-existing unitary State into federal units and even this is being done essentially on grounds of *convenience* of administration. It would be unfortunate if anything should be done to encourage the belief that the provinces in India stand for all purposes on the same footing as the states in the United States. Indeed, this is distinctly negatived by the provision in the Draft Constitution that the residuary legislative power should rest with the Centre. In South Africa, there were some historical causes which would well have justified the formation of a Federal Union. But the States preferred what has been described as a decentralized unitary government. Reviewing the position as it presented itself during the discussion by the statesmen concerned Mr. Kennedy states:

The merits of federation and unification were fully discussed. It was pointed out by General Smuts that in the United States the sovereign power was so dispersed as to be ineffective for the essential purposes of civilized government. . . . the machinery of Government was too cumbersome and complicated for prompt and certain action. In Canada, the federal system emphasized local jealousies and differences of race and religion. In Australia there had been too much friction between the States *inter se* and the States and the Commonwealth.<sup>1</sup>

If, as observed by the author, the South African statesmen ultimately decided upon a unitary administration because of the problem presented by the relations between the coloured races and the white races, do we not have

<sup>1</sup> *Law and Custom of the South African Constitution*, Kennedy and Schlosberg, p. 61.

dangers enough in the situation that now faces us in India, both internally and externally to prefer (if not a wholly unitary system) a system that will combine in the best possible manner the advantages of a unitary system and the advantages of a federal system and minimize the disadvantages of both?

It must also be remembered that some of the Constitutions which may have served as a model for the draft of the new Indian Constitution differed in one essential respect from the Indian draft, viz., that the former were drafted by a superior or sovereign legislature, namely, the Imperial Parliament, and dealt with the powers of what in law were 'subordinate' legislatures, namely, the Dominion Parliaments. At the time when the Canadian Constitution was drafted, the conception of 'dominion' as known to later day politics had scarcely been thought of and the Canadian legislature was in every sense a subordinate legislature. Even in 1900 when the Australian Constitution was framed and in 1909 when the South African Constitution was framed, the conception of the dominion being in substance, if not in form, an independent political entity, had not been established. It is, therefore, no wonder that in these Constitutions the power of the subordinate legislature to amend the Constitution Act passed by the Imperial Parliament was limited. Much the same was the position when the Government of India Act, 1935, was enacted by Parliament. The Irish Constitution was, no doubt, drafted by the Irish Constituent Assembly and not by the Imperial Parliament; but even at that time (which was many years before the Statute of Westminster and some years before even the Balfour Declaration) Ireland was only a subordinate country and its Constitution had to be drawn up in conformity with the dictates of the Imperial Government. On the other hand, it is noteworthy that soon after the enactment of the Statute of Westminster, the South African administration passed the Status of the Union Act, 1934, asserting in terms the sovereign character of the South African Parliament which has given rise to the controversy relating to what are called the 'entrenched clauses' of the South African Constitution. These clauses which were recently relied on by General Smuts in his controversy with Dr. Malan are some of the sections of the South African Act of 1909 in respect of which the old Constitution Act provided a special procedure for amendment. It has been a question whether after 1931—and the more so after 1934—these 'entrenched clauses' are legally binding or even morally binding on the South African administration. The position in India today is not even subject to the limitations underlying the South African Act of 1934. The Indian Constitution is being framed not by the Imperial Parliament and not by a subordinate legislature, but by an Indian Constituent Assembly which claims to be a sovereign body. In this view, the mere fact that the other Constitutions provide for a limitation upon the power of subsequent Parliaments to amend the Constitution Act will not warrant the assumption that the same principle will equally apply here.

In the above view, the question arises, what right does a body possess when it functions as a Constituent Assembly to fetter the exercise of sovereign legislative powers by any of its successors in the capacity of a legislative body. I do not suppose it will be maintained that the present Constituent Assembly must

be regarded as more representative of the people or as clothed with higher sovereign rights than any subsequent Parliament. My hearers will be aware of discussions which arose in England in connexion with the power of a Parliament to extend its own life in contravention of the terms of a previous statute which limited its life. It was recognized that a subsequent Parliament was as much a sovereign body as the previous Parliament and was therefore entitled to exercise its sovereign power unhampered by a limitation enacted by a previous Parliament. It seems to me that the same principle must be applied here.

Even as a question of *expediency*, apart from political theory, it strikes me that it is far from expedient to enact the condition of extreme rigidity in respect of any provision however important it may be considered to be. The worth of most institutions is relative; the true question is what best suits a particular country and a particular time. We are contemplating the continued existence of a democratic State in which Parliament will represent the 'entire' society; and there is no reason to justify an apprehension that any Parliament of such a State will lightly go back on these Fundamental Rights. No administration will, for the mere pleasure of it, persuade Parliament to take such a step. Circumstances are however conceivable when a situation (which may not amount to an 'emergency' within the meaning of Part XI) may arise when it may be thought necessary to curtail some of these rights and an Ordinance may have to be passed or the Ministers responsible may fail to, or for good reasons be unable to, comply with the Amendment procedure prescribed in Article 304. For instance, they may have a sufficient majority in the Lower House but the attitude of the Upper House may be doubtful; or the situation may require only a 'temporary' remedy and it may not be worthwhile to amend the Constitution for the purpose of meeting a temporary situation. The soundness of a Constitution must be judged with reference to the way that it is likely to operate in difficult situations. If any special circumstances of a particular time should call for a departure from Fundamental Rights, the inexpediency of a provision for rigidity will be all the greater as it must drive the majority of the day to adopt revolutionary methods by compelling them to disregard this provision of the Constitution. If a legislature of the future is prepared to throw Fundamental Rights to the winds, it is certainly not going to be deterred by the existence of a clause like this in the Constitution. Jefferson is reported to have said: 'If one generation could bind another, the dead and not the living would rule'. Dicey formulates the question: does rigidity of a Constitution secure its permanence and invest the fundamental institutions of the State with practical immutability; he answers: 'To this enquiry, historical experience gives an indecisive answer'. He adds 'the endeavour to create laws which cannot be changed is an attempt to hamper the exercise of sovereign power; it therefore tends to bring the letter of the law into conflict with the will of the really supreme power in the State'. If need be, however, I am suggesting a limited restriction upon any light-hearted attempt to depart from Fundamental Principles.

It may perhaps be said that the present position in India bears some analogy

to the position that I have above described with reference to the Union of the American States in so far as Indian states are acceding to the Union by something in the nature of a treaty. To this argument it is sufficient answer to say that their accession will be governed by the terms of the treaty and that there are sufficient safeguards elsewhere in the Draft Constitution to secure the due observance of the limitations imposed by the treaty, so far as they and their subjects are concerned. In respect of states which are prepared to merge in the Indian Union, the treaty argument will not hold good and they and their subjects cannot complain if they are placed on the same footing as the Indian provinces and the citizens of those provinces.

It may be useful to recall to the minds of my listeners one or two striking instances of the result of empowering all courts to treat as *void* legislation in excess or in contravention of certain provisions in the Constitution. A recent instance is afforded by the legislation passed in 1937-38 by the various Provincial Legislatures for the relief of rural indebtedness. I was particularly impressed with the anomalousness of the situation as I happened to be a member of the Federal Court during a period of seven years just when the uncertainties of this branch of the law came most prominently to notice. Briefly stated, the question was whether certain provisions in provincial laws reducing the liability for interest in respect of promissory note debts were enforceable or could be ignored by a court of law. The difficulty arose because promissory notes were included in what was known as List I in the Seventh Schedule to the Constitution Act and were thus exclusively subject to the legislative jurisdiction of the Central Legislature, but relief of indebtedness could be afforded by provincial legislation. For nearly seven years, we had a plethora of inconclusive pronouncements of subordinate courts, High Courts and the Federal Court. I wonder who profited by this uncertainty of the law. Some unkind critics may be disposed to answer 'lawyers', but I do not say so. If the state of the law left the position in such uncertainty, it was natural for clients to seek to take advantage of it and for lawyers to argue in support of their clients' contentions. The mistake was really attributable to the legislation which carried the principle of division of jurisdiction between the centre and the provinces to extremes. Numerous judgements taking divergent views were pronounced by subordinate courts in each province; High Courts differed from one another, and sometimes different benches in the same High Court took different views. The judgements of the Federal Court did not speak with one voice; and in accordance with a rule of judicial etiquette, the Federal Court had to limit itself in each case to pronouncing on the point actually calling for decision in that case. After all, what was the divergence of interest as between the Centre and the provinces that was involved in this controversy. That there was no such divergence was shown by the fact that when the Centre was approached by some of the provinces to place the matter beyond doubt, the Centre immediately passed an Ordinance removing doubts.

During my tenure of office as a Judge of the Federal Court, I had another disagreeable experience when dealing with cases arising out of the repressive

legislation which the Government of the day felt obliged to enact at that time. When the Federal Court declared certain enactments to be *ultra vires*, the Government of the day felt that matters should not be left there and accordingly promulgated enactments calculated to meet the situation created by the pronouncement of the Federal Court. I have no doubt that it was far from the intention of the Government to flout the decisions of the Court and the new laws were enacted only because Government felt that the situation in the country was such that some other remedy had to be sought. But, in the then temper of the country, it was quite easy to persuade people to think that the Government of the day flouted the decisions of the Court. Another striking illustration is afforded by what threatened to happen in the U.S.A. in 1937 during President Roosevelt's régime. These instances give some indication of what might happen if a dispute should develop between a strong judiciary and a strong executive, especially if that executive could in the particular matter claim to be supported by overwhelming popular opinion. We have recently heard warnings from very high judicial authorities emphasizing the danger of interference with the independence of the judiciary. In the words of Harold Laski, 'the esteem in which the courts are held is the measure of well-being in the community'. It is, in my opinion, essential that the Constitution must be so framed that the executive and the judiciary will be able to function harmoniously even while each is discharging its duties efficiently and that no strain or stress is imposed on the loyalty of the citizens to either organ of government.

I cannot agree with the uncharitable criticism leveled against those who have bestowed so much time and thought on the drafting of the Constitution that they had merely copied a few provisions from this Constitution and a few provisions from that. There is after all nothing new under the sun and it was only right that those responsible for the drafting of the Constitution should have tried to benefit by the experience of other countries in this task. But, it is for us to make up our mind what kind of 'State' we wish to have. I am aware that there is a deep yearning in some quarters for a decentralized State. But I am unable to believe that even the most zealous advocates of village self-government would claim that the administration of India in the twentieth century could be wholly provided for by village panchayats. Whether decentralization of State activities cannot be carried to such an extent as not to require anything more than village self-government is an idealistic problem on which I dare not make any comment. It is sufficient for us here and now to realize that in the context of the world as it is today such a course is not practicable. India, China and Japan has each tried to remain in isolation, but that has not been found possible. The United States of America attempted to follow a policy of isolation for more than a century and the peculiar conditions of that part of the world seemed to make that policy to a large extent practicable. But, today, the pendulum has swung to the other extreme; it is therefore well to recognize that in the modern world, isolationism is no longer practicable. If the Indian State has to be provided with a Constitution, that will make it possible for it to live and thrive in the world

as it is today, there can be little doubt that the Constitution must provide for a strong centre and an efficient administration on modern lines. The proportion of Indian revenues which public opinion in this country is prepared to sanction under the head of military expenditure, notwithstanding Gandhiji's efforts to preach the doctrine of nonviolence, is some proof of the realization of this necessity; but what is the use of making the military administration efficient if the civil administration is to be rendered weak and powerless? The circumstance that one of the members of the Constituent Assembly has recently given notice of a resolution that India should have a unitary Constitution is not without significance in this connexion, though I am not suggesting that a strictly unitary Constitution is practicable in the circumstances obtaining in India today. What I wish to emphasize by way of comment on the lines adopted in drafting the Constitution is that, on a proper appreciation of the difference between the circumstances in which some of the well-known federal or quasi-federal Constitutions have been framed and the circumstances in which the present Indian Constitution is being framed, one will be justified in making a greater departure from the usual federal model than the draftsmen have thought fit to make. I can conveniently group my observations under two heads (1) the relation of the three parts of the State, viz., the executive, the legislature and the judiciary to each other and (2) the relation of the units to the Centre.

It is common knowledge that the three-fold division of the functions of the State and of the organs carrying out those functions was formulated in definite terms by Montesquieu. It has been the policy of some Constitution-makers, particularly of the founders of the U. S. A., to lay undue emphasis on this division of powers or functions. The development of the results of this distribution in America has been influenced by the provisions that existed in many of the original State Constitutions positively forbidding the legislature from exercising judicial powers. The persons mainly responsible for the American Constitution (Hamilton, Jefferson, Madison and Jackson) held different views as to the proper way of working the doctrine of checks and balances. Even in the U.S.A., it was not found practicable to carry the three-fold division to its logical limits; it is well-known that in the course of working the Constitution, departures from the spirit of the Constitution or the intentions of the original founders have taken place. All the same, it is true, as observed by Sir Courtenay Ilbert, that undue emphasis upon this differentiation has not always been conducive to good government. He remarks:

There is always and every where a tendency on the part of those responsible for the three great branches of government respectively to regard the others as rivals, to fret at limitations on their powers and to poach on the provinces of their neighbours. And this tendency is increased and accentuated if too hard and fast a line is drawn between organs and functions which ought to work in harmony with each other and the relations of which to each other require the most delicate adjustment for their proper working.

The crisis which I have referred to that threatened to arise in the United



States in 1937 in the relations between the President and the Supreme Court fully justifies these observations of Sir Courtenay. Dr. Allen has pointed out<sup>1</sup> that in defining the separate spheres of the three divisions of States, Montesquieu was not thinking of 'impassable barriers' and 'unalterable frontiers' but of mutual restraints. What is needed is not reciprocal inhibition between the three organs but harmonious movement. One can join Dr. Allen in his appreciation of the following passage which he quotes from Blackstone:

Like three distinct powers in mechanics, they jointly impel the machine of Government in a direction different from what either acting by itself would have done but at the same time in a direction partaking of each and formed out of all: a direction which constitutes the true line of liberty and happiness of the community.

It is not necessary to assume that the founders of the United States Constitution misunderstood Montesquieu. They had to proceed cautiously because of the antecedent history of the different States and because theirs was the first experiment in Republican Government. Their knowledge and experience of the autocratic ways of governments in Europe made them apprehensive of any form of strong Government. They accordingly sought refuge in the division of powers between the States and the Centre and between the different organs of the Central Government. The *Federalist* was afraid that there was likely to be danger from an aggressive legislature by reason of its imagining that it represented the people. It has been humorously remarked that the American Constitution contains 20 grants of legislative authority and at the same time imposes more than 70 restraints.

Judicial review of the acts of the legislature was regarded as fundamental and necessary to maintain a governmental system of limited powers and divided responsibilities. But this in turn gave rise to complaints against 'Government by the judiciary' and plans were devised from time to time to curb the power of judicial review, ending in the crisis that arose during President Roosevelt's time. The President appealed to the Congress 'to save the Constitution from the Court'. When the Supreme Court declared parts of his New Deal legislation unconstitutional, he complained that the Court had set itself up as a super-legislature or third House of the Congress<sup>2</sup>.

It is scarcely necessary to stress the fact that today the relations between the legislature and the executive have undergone such a fundamental change that far from being rivals, they have practically merged into one. While in theory it may be said of the English Constitution that Parliament (the legislature) controls the executive, the truth is that to a large extent it is the executive that controls Parliament. This is the result of the working of the parliamentary executive and an organized party system under modern conditions which necessitate a strong Central Government. English legal and political history of recent periods affords ample proof that judicial control

<sup>1</sup> Vide *Law and Orders*.

<sup>2</sup> For details of this episode, see, *The Supreme Court Crisis*, by M. J. Pusey.

of legislation is not necessary to ensure democratic freedom or the liberty and equality of citizens. If India had chosen to adopt the American model of a non-parliamentary executive, there might have been greater reason for reproducing here something like the relations that are supposed to exist in America between the three organs of Government. I am aware that in certain quarters there is a doubt as to the wisdom of having a parliamentary executive in a country where there is no well-organized two-party system; but when once, whether wisely or otherwise, the framers of our Constitution have decided to adopt the model of the parliamentary executive system, it seems to me both natural and necessary that in regulating even the relations between the judiciary and the legislature, we should approximate to the characteristics of the English Constitution, except to the extent to which our adoption of a Federal Constitution compels certain modifications.

This takes me on to the implications necessarily arising out of a Federal Constitution. It may be granted that a written Constitution and more so a Federal Constitution requires an impartial authority to interpret the Constitution; and it may also be admitted that it is the duty of the 'judiciary' to enforce obedience to law, whether it be by the individual or by the States or by the Centre and whether by the executive or by the legislature; but this function of interpreting and enforcing obedience to law can be discharged in various ways and as well in an atmosphere of harmony as in an atmosphere of conflict and rivalry. Here again, the difference between the circumstances in which the American Union was formed and the circumstances in which the Indian Federation is being formed is material. Whereas the American States were reluctantly endeavouring to come into the Union, we in India are only attempting to break up a unitary Constitution which has worked efficiently enough for more than a century. Notwithstanding some unfortunate recent trends in this country, there need be no jealousy or fear between the provinces and the centre in this country. The division of functions between the Centre and the provinces may well be regarded more as a matter of convenience than as the consequence of separatism. If certain subjects are allotted to the units, it is because it is felt that they can be more conveniently and efficiently attended to by the provincial legislature and the provincial executive and not because it will be dangerous to the security of the units to allow them to be dealt with by the centre. If this is a correct appraisal of the situation, I venture to submit that all doubts and differences as to whether certain matters fall within the Provincial sphere or within the Union sphere can be solved without going to the length of declaring 'unconstitutional' laws to be *void* and inevitably bringing the courts who so hold into conflict with the legislature which passed them and the executive at whose instance they were passed.

I may in this connexion refer to the course adopted during what may be called the régime of the Devolution Rules. That situation seems to me to present a fair analogy, if we understand the division between the states and the Centre as one based on considerations of convenience and not of suspicion or hostility. Under the Government of India Act of 1919, provincial legislatures as well as the Central legislature were

expected to respect the division of powers by the Devolution Rules, but section 84 (2) of that Act provided that the validity of any Act of the Indian legislature or of any local legislature was not to be open to question in any legal proceeding on the ground that the Act affected a provincial subject or a central subject as the case might be. I see no difficulty in adapting this provision today to a system under which the Supreme Court can act as the interpreter of the Constitution. It may be provided that the validity of *any* legislation (whether on the ground that it touches subjects not assigned to the particular legislature or even on the ground that it amounts to an amendment or contravention of any provision of the Constitution Act) may be considered only in a Reference by the President (under Article 119) or in a suit between the centre and the province under Article 109. The President of any Provincial Legislature or the President of the Central Legislature may bring to the notice of the President of the Union any objection that is raised to the validity of a legislation before the Assembly of which he is the President. Similarly, the Prime Minister of the Centre or of any unit may bring to the notice of the President any objection that may be available to the legislation passed or proposed to be passed by a province or by the Centre respectively. The President can be authorized to invoke the advisory jurisdiction of the Supreme Court with a view to obtaining its opinion in the matter and it must become a convention that all administrations concerned will abide by the opinion given by the courts. But it must be added that any opinion expressed or decision given in those proceedings will not affect the rights of private parties *inter se* unless and until the law is changed pursuant to such opinion or decision.

I am aware that there is a strong difference of opinion amongst constitutional lawyers as to the expediency of vesting in a judicial tribunal the power of giving *advice* on application. Whatever may be said against the expediency of creating such a jurisdiction in respect of matters that may subsequently call for decision in a private litigation in an ordinary court of law, no such objection can arise if the power to pronounce upon the validity of laws is made exercisable only on such application to the Supreme Court through the President. In such a case, there will be no force in the objection that the parties to an actual litigation may not be bound by any opinion expressed by the court at the advisory stage. Even if the advisory jurisdiction is not favoured, there can be no objection to the procedure by suit under Article 109. This procedure was adopted in two instances under the Government of India Act of 1935. One or two illustrations will help to make my meaning as well as the reason for the above suggestion clear. Article 13 of the Draft Constitution enacts the principle of freedom of speech, freedom of assembly, freedom of association, freedom of movement, etc. Clauses (3), (4) and (5) of that Article save the power of the State to enact any law imposing 'reasonable restrictions' on the exercise of the rights conferred by clause (1) of the Article. Imagine what the position would be if during a period of public excitement or tension (but not amounting to an 'emergency' within the meaning of Part XI) any legislature should

enact restrictive provisions which it may consider 'reasonable restrictions' within the meaning of the saving clause but the magistracy or the criminal courts should decline to give effect to the law on the ground that the restrictions imposed are unreasonable. No responsible executive authority could submit tamely to that situation. But it would be helpless until and unless the matter could be put right by a higher judicial authority, even if the states' view of the reasonableness of the law were right. Similar situations may arise where a law is impugned on the ground that it conflicts with some provisions of the Constitution Act and that therefore the procedure laid down in Article 304 must be followed. After all, any decision of a subordinate court which upholds the objection may not be right. But the whole position will be left in painful uncertainty till the matter is finally decided by the highest judicial authority. I venture to think that my suggestion would avoid such situations even while providing a satisfactory method for testing the validity of any legislation.

I may here invite attention to the fact that in the West not all written Constitutions have adopted the rule of authorizing *all* courts to pronounce on the constitutionality of laws or treating them as void if shown to be unconstitutional. Neither in France nor in Belgium do the Judges appear to pronounce upon the constitutionality of enactments, though those States possess Constitutions of the rigid type.<sup>1</sup> The prohibition against transgression is said to rest only on moral sanction and the support of public opinion. In Australia and Czecho-Slovakia (of the inter-war period) a 'special court' was given jurisdiction on the question of constitutionality of laws. Under the Irish Constitution, the power is given exclusively to the High Court. The Draft Constitution of India (presumably on the analogy of the Irish model) no doubt proposes to enact that the High Court *shall* withdraw to its own file any case pending before a subordinate court if it involves a substantial question of law as to the interpretation of the Constitution (Article 204). The power under this Article is perhaps somewhat wider than under section 225 of the Government of India Act of 1935. But, as there are several High Courts in this country, and their views frequently differ, a final pronouncement can be obtained only if and when the matter is brought before the Supreme Court. Apart from uncertainties that may arise during the interval between a judgement of the High Court and a judgement of the Supreme Court, a more serious problem arises from the difficulties of processual law standing in the way of the Government trying to intervene in a litigation between two private parties, when one of the issues in such a litigation relates to the validity of legislation whether central or provincial. Even if the State is permitted to intervene, it is very doubtful if it can bring the matter up on appeal before the Supreme Court, if the parties do not choose to bring the matter to the appellate court, because in such cases there will be no judgement decree or order *against* the State. Some observations on this question will be found in a judgement of the Federal Court.<sup>2</sup> The point is not by any means free from doubt and difficulty.

<sup>1</sup> Vide, Introduction to the 9th Edition of Dicey's Law of the Constitution p. xxxvii

<sup>2</sup> Reported in 1940 F.C.R. 110.

To guard against misappreciation of the possible effects of the proposals I have advanced in this paper, I must add that my scheme would also involve a substantial extension of the range of judicial review of executive acts. As I read the situation, the fear that haunts most minds today in this country is not so much the fear of bad laws being passed by Parliament as the fear of abuse by the Executive of the wide powers that may be entrusted to it. The remedy, in my opinion, lies not in the denial of adequate powers to the Executive but in the provision of reasonable judicial control over the exercise of those powers. My theory of co-operation between the different parts of the State implies that the executive should willingly submit to such control and not struggle to nullify it. I do not make any detailed suggestions in this behalf here, because the relation between the Executive and the Judiciary forms no part of the subject assigned to me this evening.

Finally, I would submit that the Draft Constitution might provide what one may call a 'probation' period. Whatever may be the care bestowed on the preparation of the Draft Constitution, it is not unlikely that second thoughts or practical working experience will reveal the need for some changes here and there, big or small; it does not seem necessary to invoke the procedure under Article 304 (relating to Amendments) for this purpose. Following the Irish precedent, the Draft may provide for changes being freely made during the first eight or ten years after the new Constitution Act comes into operation.

## PROSPECTS OF AN ASIAN UNION

### II

By H. VENKATASUBBIAH

THE Organization of American States, whose structure we analysed in the last article, is unique in that the association which it represents is in fact regional. We are not thinking here of the fact that the membership of the Organization compactly covers a region that is most clearly marked off by vast oceanic waters on all sides. Canada is no doubt out of it, but the demarcation of its territories from those of the rest of the hemisphere is neat and they do not intersperse with the latter. But we refer to the fact that regionalism is not an afterthought or something incidentally accruing in its case. Such seems to be so for example with the North Atlantic Treaty which has been claimed, *inter alia*, to be a regional association within the meaning of the U.N. Charter. We have seen how the Charter failed to define a region and the structure of the Organization of American States had in essentials been evolved before the Charter was drawn up. Yet the organization is regional and an association more in keeping with the Charter than the North Atlantic Treaty which came into being subsequent to the Charter and bereft of organization of a self-containing and permanent nature. Whatever the merits and desirability of the Treaty might be as an auxiliary instrument of the U.N. peace system, the objection that the Treaty powers do not constitute a region between them appears to be well founded. If we may assume therefore that the Organization of

American States and the North Atlantic Treaty represent two extremes of what the U.N. Charter intends a regional association to be, in spirit as well as in letter, we may claim the proposed Asian union to occupy a middle position in its structure and functions. The countries that may reasonably be expected to join this new association are contiguous or closely neighbouring; yet not making as compact a region as that represented by the Organization of American States. By virtue of their requirements in peace alike as in war they could evolve a permanent structure, unlike the North Atlantic Treaty; but because of greater diversity of both internal and external interests than in the countries of the Western Hemisphere such structure could not be as self-containing as the Organization of American States.

## I

The first question that arises in the formation of an Asian States system as a regional association is that of determining the region itself. It is doubtful if any other region containing several States can be determined with such facility as the one represented by the Organization of American States, but Asia comes only second as a region for political association. Geographic continuity or proximity exists for the countries of the proposed union from Turkey in the west to Japan in the east. However, there are two sets of special consideration on the purely geographical plane to be answered as part of the problem of the region's formation. These may roughly be called the question of Asia in non-Asia and the question of non-Asia in Asia. Representing the former are Turkey, Egypt and Ethiopia in the west, and the Soviet Asian Republics in the northwest. The second question is the position of Australia and New Zealand in relation to the Asian union. From the west Turkey stands on the threshold of Asia and in spite of the inherently eastern complexion of its history and society it has consistently been anxious to be recognized more and more as a European power. Since the prolongation in 1935 of the Treaty of Friendship and Neutrality with the U.S.S.R., the Treaty of Mutual Assistance of 1939 with Britain and France, and the Treaty of 1941 with Germany this anxiety has been replaced by a confidence that Turkey is in fact a European power in its international relations. All the same, not to let its interest in Asian affairs go by default is likely to be Turkey's future anxiety on the other hand. While being satisfied with its now preponderantly European status, Turkey would probably not like to withdraw its foot from this side of the threshold at a time of Asian political resurgence and when by all signs this continent will play an increasing rôle in international affairs. Moreover, for nations situated on the border of two regions—geographic or political and diplomatic—membership of associations of both regions should be permissible. Certainly there would be better justification for Turkey simultaneously to be a member of the proposed Asian union and a prospective European union or treaty alignment than there is at present for the United States to be a member of the North Atlantic Treaty system concurrently with the Organization of American States. There should therefore be no barrier to Asia extending and Turkey accepting an invitation to be full member of

an Asian union. The question of Egypt's membership is more strictly technical and arises from the fact of that country being geographically a part of the African and not the Asian continent. Both Egypt's population and politics are part of the Arab world and have nothing in common with those of either the rest of Africa or Europe. And the Arab world is thoroughly Asian. Besides, by its own inclinations Egypt looks to Asia beyond the Arab world rather than to Europe and Africa for the future of its international relations. Not that it can afford to ignore either of these, what with European possessions in north and central Africa and South Africa a major power, but a conflict of regions is far less for Egypt than for Turkey. Ethiopia, on the other hand, faces a regional conflict in relation to the rest of Africa analogous to that of Turkey in relation to Europe, if Ethiopia is to be a member of an Asian union. The fact that that country is sovereign and its people are non-European does not seem to be enough to qualify it for membership of an Asian regional association. Its population's affinity is with the indigenous races of Africa and not with any Asian people. If, however, membership were extended to Ethiopia on the ground that for regional purposes it is as qualifiable as Egypt of the same continent, it would be difficult to withhold membership from certain other eastern and north African countries, also inhabited by African races, when in due course they come to satisfy the condition of sovereign independence.

The Soviet Asian Republics in the northwest are federal units of the Soviet Union. Though republics in name they are not sovereign States with independent foreign policy or defence. They are not in the position, either, of colonial countries demanding sovereign equality with the Soviet Union. Technically at any rate the Soviet Central Government would therefore have to be invited for membership of the Asian union if representation is intended for the Soviet Asian Republics. And it will be open to the Soviet Union formally to accept membership and delegate it to the Soviet Asian Republics. But this procedure can be objectionable both in itself and more so on account of the practical difficulties involved in such membership. Even if the Soviet Asian Republics became members by delegation it is obvious that they cannot both in law and in fact be parties to any political, diplomatic or military decision of the Asian union without reference to an approval of the Soviet Central Government. And in its attitude to such references from its component units the Soviet Centre would naturally be guided also by its own foreign policy. It may conceivably decide references not upon whether they are in the interests of the Asian part of its territories but on how they impinge upon its general foreign policy. A more positive danger moreover is that in due course the Soviet Asian Republics might cease to play a constructive part in matters in which Asia has common interest but might become mere vehicles of the Soviet Union's view of such interest; and though the Soviet Union is also an Asian power its world politics are overwhelmingly non-Asian.

While still at the question of membership from the west of the continent we might briefly consider the question of Palestine and Israel, though it is not geographic but political. If Palestine will ultimately be a sovereign

independent State and not a subsidiary entity of one or more of its Arab neighbour States it would then automatically qualify for membership. Israel has been admitted for membership of the United Nations, but its recognition is still an uneasy matter to many States. It will be recalled that at the last session of the General Assembly several Asian members besides the Arab States either voted against or abstained on the motion of Israel's admission.<sup>1</sup> However, it seems late in the day for either the dream of an undivided Arab Palestine or the federal plan to have any reasonable chance of materializing. The non-Arab Asian States will perhaps reconcile themselves in due course to the accomplishment of Israel, but how long the hostility of the Arab States will endure, it is difficult to say at the moment. Even if it endured, would it stand in the way of Israel's membership of the Asian union? Apparently the Arab States do not propose to withdraw from the United Nations just because Israel has been admitted thereto, and there is no reason why Israel should not be invited with them to a regional association as well. Also by the same token that the Jews are an international minority, the Jews of Israel cannot be precluded from looking upon themselves as Asians.

Constituting a separate continent by themselves, Australia and New Zealand cannot either by geography or by history become members of an Asian union. But events subsequent to the end of World War II have given these two countries an undoubted claim to be associated with any regional arrangement for the security of at least the southeast sector of Asia. These events are political in nature that have given new meaning to the proximity of Australia and New Zealand to the Southeast Asian mainland. Most important among them is the British withdrawal from East Asia which has made the traditional pattern of British Commonwealth defence in the Indian Ocean and South Pacific regions uncertain, if not confusing. However, Ceylon and Malaya are still Australia's hopes for British security in East Asia and so from Australia's angle Britain must still be kept in a regional security system. But with the Commonwealth looser than ever by the latest phase of the association, India is indisputably the biggest Commonwealth factor in the east in every way and any foreign policy for Australia which ignored India's active collaboration for security would be unreal. Though the future of Japan is equally unclear as Commonwealth defence in the East, Australia calculates that the U.S. must continue to have a dominant interest in the military aspect of Japan's foreign policy. Lastly, Australia is again somewhat confused regarding the future of the Dutch, French and British colonial possessions in Southeast Asia. Pieced together these political developments give a clue to Australia's present approach to the problem of Pacific and Indian Ocean security. Recently that country and New Zealand have better recognized the growing proportion which India is occupying in their regional approach—as witness their ready participation in and good contribution to the Delhi Conference on Indonesia in January 1949—but the approach as a whole is different in certain fundamentals. As late as May this year, speaking at Canberra, the Australian Prime Minister,

<sup>1</sup> Afghanistan, Burma, Pakistan and India voted against and Turkey and Siam abstained.



Mr. Chifley, said that 'the approach to a common scheme for defence of the Pacific should be by agreement between Britain, Australia and New Zealand; thereafter with the United States of America and later with other nations with possessions in the Pacific area.'<sup>2</sup> And at a press conference only four days earlier Pandit Nehru had declared on the subject of a Pacific Pact: 'I do not see any possibility of that. Look at the Pacific region and the conflicts that are going on there. Who is going to join the Pacific Pact? The Indonesian Republic or the Dutch? Obviously, until all these conflicts are resolved, whether they be in Indonesia, Indo-China or elsewhere, the idea cannot even take shape or if it takes shape, it will do so in a wrong way to which the strongest objection will be taken by other countries in that region'.<sup>3</sup> These two statements may be said to represent the fundamental difference in the Asian and Australian approaches to regional security. Therefore while Australia and New Zealand have a claim to be, and have got to be, *associated* with an Asian union, more especially in its defence and security aspects, they must clearly take a more positive line for the ending of the last vestiges of colonialism in East Asia before that could be done.

## II

Geographic and political eligibility for membership, fundamental as it is, is no assurance of the States' ability to undertake the obligations explicit in such membership of a regional organization. On the contrary various types of constitutional and treaty affiliations with other States may disable them in the actual discharge of these obligations. And it serves little purpose if Asian States came together with obligations nominally assumed and in the knowledge that they do not anyhow have to discharge them when the time comes. From the viewpoint of the regional organization such affiliations, which are popularly described as 'entanglements', are handicaps to its security system but to the States themselves they might verily become a convenient escape from the logic of regional association. Not merely that. By constitutional or treaty provisions Asian States are invariably entangled with non-Asian powers. Such alliances can thoroughly vitiate the very purpose of an Asian union. Some Asian States in fact depend almost completely on their non-Asian ally to defend them against aggression, and it is highly problematical whether they can use their non-Asian defence machinery for discharging obligations undertaken as a consequence of an Asian union, without the consent and co-operation of the non-Asian ally. The more important alignments of this nature all involve either one or more of the Big Four. Turkey is an area of 'security importance' for the United States. The preamble of the Agreement Between the U.S.A. and Turkey Concerning Aid to Turkey of July 1947 speaks not merely of economic aid but of security: 'The Government of Turkey, having requested the Government of the United States for assistance which will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same

<sup>2</sup> *The Statesman*, New Delhi, 16 May 1949.

<sup>3</sup> *The Hindustan Times*, New Delhi, 12 May 1949.

time to continue to maintain the stability of her economy.....<sup>4</sup> It has also been so specified by the U.S. State Department in the elaboration of its military assistance programme. And such assistance in arms equipment is of course part of U.S. foreign policy and not mere commercial transaction: 'All U.S. military aid will be given in one programme, to be administered by the Secretary of State as part of the overall foreign policy.'<sup>5</sup> Turkey's position as member of an Asian regional security system is also bound to be affected (though it is difficult to say how precisely on hypothetical grounds) by her alliances as a European power. According to the fifteen-year tripartite Treaty of Mutual Assistance signed in October 1939 between Turkey, France and Britain—the validity of which was recently reaffirmed by France—the three powers agree to collaborate effectively and lend all aid and assistance in their power in the event of an act of aggression by a European power leading to war in the Mediterranean area in which one or other of them is involved. But by Protocol 2 of the Treaty, Turkey reserves the right of neutrality if the discharge of obligations undertaken in it were to lead to war with the Soviet Union.<sup>6</sup>

'The Treaty' is still one of Egypt's main preoccupations. Speaking before the Security Council on Egypt's reference to order evacuation of British troops from Egypt and the Sudan, the late Premier Nokrashy Pasha denounced the Anglo-Egyptian Treaty of 1936 as something that 'ties Egypt to the British economy, subjects her to the vagaries of British diplomacy and imprisons Egypt within the orbit of British imperial power.'<sup>7</sup> Egypt's ability to make effectual the obligations that she may undertake as member of an Asian union must therefore depend upon the validity of her abrogation of the Treaty which in its turn must depend upon the satisfactory solution of the problem of the Sudan. In pursuance of the Treaty of Alliance signed in March 1946 between Britain and Transjordan, the former may station armed forces in the latter's territory (Article 1 of Annex) and Britain will afford financial assistance to Transjordan in meeting the cost of the military units of the latter's forces which are required to ensure defence of either Transjordan or Britain against external aggression (Article 8 of Annex).<sup>8</sup> The United States and Iran signed an Agreement in October 1947 providing for an American military mission to Iran whose purpose was 'to cooperate with the Ministry of War of Iran and with the personnel of the Iranian Army' with a view to enhancing the efficiency of the latter. However it was provided that the Agreement may be terminated by either Government if that Government considers it necessary, due to domestic disturbances or foreign hostilities.<sup>9</sup> In the Treaty of Jiddah of May 1927 between Britain and Saudi Arabia, by Article 2, either party undertook not only to maintain good relations

<sup>4</sup> *United Nations Treaty Series*, 1947, Vol. 7, p. 300.

<sup>5</sup> *Building the Peace: the U.S. Military Assistance Programme*.

<sup>6</sup> Helen Miller Davis, *Constitutions, Electoral Laws, Treaties of States in the Near and Middle East*, pp. 389-91.

<sup>7</sup> *Keesings Contemporary Archives* 20-27 Sep., 1947, p. 8843.

<sup>8</sup> Helen Miller Davis, *Op. Cit.*, pp. 336-7.

<sup>9</sup> *United Nations Treaty Series*, 1947, Vol. 11, p. 304.

with the other, but 'by all means at its disposal to prevent its territories being used as a base for unlawful activities directed against peace and tranquility in the territories of the other party'.<sup>10</sup> This Treaty has been prolonged by exchange of Notes between the two Governments in October 1943, for successive seven-year periods unless terminated with notice before.<sup>11</sup>

Not only is the defence of Ceylon in effect a British responsibility but Ceylon must support the British defence system in the Indian Ocean region. Under the Defence Agreement concluded between the British Government and the Government of Ceylon at the time of the Ceylon Independence Act, the two 'will give to each other such military assistance for the security of their territories, for defence against external aggression and for the protection of essential communications as it may be in their mutual interest to provide'. The Government of the U.K. may base such naval and air forces and maintain such land forces in Ceylon as may be required for these purposes, and as may be mutually agreed upon (Clause 1). The British Government will also furnish such military assistance as may from time to time be required towards the training and development of Ceylonese armed forces (Clause 3). The Defence Agreement has been officially interpreted as follows: 'Ceylon may as a Dominion establish such defence forces as it pleases and under Clause 3 will obtain such assistance as it may require from the U.K. In so far as it cannot provide for its own defence, it may rely on the forces of the United Kingdom which for this purpose will be provided with such bases and facilities as may be agreed upon. Clause 1 binds Ceylon to render assistance only to the extent that it is in its interest to do so'.<sup>12</sup> But it is obvious that Ceylon's reliance on Britain's armed forces and Britain's reliance on Ceylon's assistance can only be reciprocal. Burma has chosen to go out of the Commonwealth, but the Anglo-Burmese Treaty of October 1947, providing for matters consequential to Burmese independence outside of the Commonwealth, incorporates the Defence Agreement of August of the same year between Britain and Burma. The significant clauses of this are that Burma would not receive a defence mission from any country outside the British Commonwealth—there being provision for a British Joint Service Mission to train Burmese forces—and that facilities will be given in the event of His Majesty's forces bringing help and support to Burma by agreement with that country.<sup>13</sup> The second of the clauses sounds almost like a provision for invitation to military aid. Under the Treaty concluded in January 1946 between Britain and India on the one hand and Siam on the other, the latter does perhaps 'retain her freedom, her sovereignty and her independence' as claims Mr. Maberly Denning (Political Adviser to Lord Mountbatten, then Supreme Commander, SEAC), who signed the Treaty for Britain, but she has undertaken to construct no canal across the Kra Isthmus without British consent (Article 7) and to assume responsibility for safeguarding, maintaining and restoring unimpaired all British,

<sup>10</sup> A. J. Toynbee, *Survey of International Affairs*, 1928, p. 439.

<sup>11</sup> *United Nations Treaty Series*, 1947, Vol 10, pp. 166-8.

<sup>12</sup> *The Independence of Ceylon*, Ceylon Government Sessional Paper XXII, 1947, p. 8.

<sup>13</sup> *Keesings Contemporary Archives*, Dec. 20-27, 1947, p. 9001.

including Commonwealth and Empire, property rights and interests in Siam (Article 3).<sup>14</sup> The present position of the Philippines in relation to the United States is not very different from that of Ceylon in relation to Britain. In July 1946 the U.S. proclaimed withdrawal of sovereignty over the Philippines as required by the Philippine Independence Act of 1934. But the U.S. Government has secured its interest in the defence of the Philippines itself by the agreement of March 1947 with the Philippine Government providing for the establishment for a 99-year period, of 23 American military, naval and air bases in the Philippines and further providing that in the interests of international security any of the bases may be made available to the U.N. Security Council.<sup>15</sup>

While such are examples of Asian countries wherein the function of independence is not co-extensive with the status of independence owing to what may be called treaty handicaps, there are three others viz., Indonesia, Indo-China and Malaya wherein the problem of sovereignty is itself unresolved as yet and the extent of their functional independence must depend upon the constitutional structure ultimately envisaged for them. The Malayan Federation is a British protectorate, its defence and external affairs belonging to the British Colonial Office. In Indonesia, the round table talks proposed at the time of writing between the Republic and Holland may result in agreement over a federal structure for the country and some form of association with Holland. In that event Indonesia's preparedness to undertake the security obligations of an Asian union will be determined by the defence arrangement between the parties. Under the Franco-Viet Nam Treaty signed in June 1948 between the Government of France and the French-sponsored Viet Nam Government of Bao Dai and General Xuan, Viet Nam's independence is recognized within the French Union and there are to follow special arrangements between the two parties for 'diplomatic, military, economic and financial' matters. And at the time of ratification of the Treaty by the French National Assembly, the Colonial Minister, M. Coste Floret, declared that 'Viet Nam will have no armed forces except the police', and expressed the wish to maintain the unity of the French Union with respect to both foreign affairs and defence.<sup>16</sup> However, the leader of the independence struggle in Indo-China, Dr. Ho Chi Minh, has denounced the Treaty and its signatories, and the struggle for freedom from French occupation goes on. If the negotiations between the Dutch and the Indonesians fail to bear long-term fruit, a similar struggle in Indonesia is also bound to go on. Probably (as Pandit Nehru thinks), colonial imperialism is ended as a historical phase and the bits of it still left cannot go on for more than a very short period. But if in Southeast Asia it did survive the formation of an Asian union, whose sovereignty should the regional organization recognize—that of governments sponsored by the metropolitan powers and functioning *because of* the armed protection extended by them, or that of régimes set up by the national movements which are functioning as

<sup>14</sup> *Ibid.*, 26 Jan-2 Feb., 1946, p. 7695.

<sup>15</sup> *Ibid.*, 5-12 April, 1947, p. 8538.

<sup>16</sup> *Ibid.*, 7-14 August, 1948, p. 9444.

government in at least a part of their respective countries *in spite of* the armed occupation by their metropolitan powers? Or should the Asian union postpone the question of recognition of Indonesian and Viet Nameese sovereignty until after their freedom struggle is concluded to their satisfaction? It should be remembered that both the Indonesian Republican Government and the Viet Nam of Dr. Ho Chi Minh have for intermittent durations during the past few years been given *de facto* recognition by their respective metropolitan powers; a recognition that is withdrawn whenever it does not suit the latter to continue it. If Asia as a continent is morally committed to the ending of colonialism here, an organization of Asian States is clearly expected to admit the republican régimes to membership, though by doing so the organization will not only add to its regional security resources but on the contrary takes upon itself the burden of defending them against their occupying powers in the first instance. But a more prudent line to take without compromise of principle would be for the Asian union to make a declaration, similar to that made by the Bogota Conference,<sup>17</sup> to the effect that there should be no territories in Asia in a status of dependency (in law or in fact) upon a non-Asian power, with a time limit voluntarily to terminate the colonial status and occupation of these territories by non-continental powers. However, in the case of Malaya an Asian union cannot grant even interim recognition to a local régime because none has existed so far; all along the resistance movement has stopped short of organizing a government. Furthermore, the solution of the problem of Malayan sovereignty may take longer than in the case of Indonesia and Indo-China owing to the disproportionate racial composition of the population of the Federation.

### III

There are two countries whose membership of a future Asian union and the part they play in it thereafter directly depends upon U.S.-U.S.S.R. accord. These are Japan and Korea. So long as there is no peace treaty with Japan and she remains under American occupation Japan's sovereignty is submerged in SCAP and there is no question of her membership of the Asian union. It may be that the process of 'democratization' of Japan has made satisfactory progress under American auspices, but without independent foreign policy Japan has obviously no place in an organization of nation-States. However, the more important fact is that even American withdrawal and the conclusion of a peace treaty may make no difference from the viewpoint of Japan's effectual membership of a regional security organization. For, militarily the most powerful nation in Asia before the war, it is certain of course that Japan will be kept disarmed for a long time to come, not to mention the systematic clipping of her 'war-making potential'. A foreign policy unsupported by an independent defence system, however weak that system might be, is unreal. If it can be real, it can be so only in the negative sense of having to follow the shadow of the erstwhile occupying power in the latter's foreign

<sup>17</sup> See Part I of this article in *India Quarterly*, Vol. V, No. 2, p. III.

policy. In such an event in Japan's case, whether the U.S. withdraws with a peace treaty or without one the U.S. is likely to have the dominating influence on Japan's foreign policy, because it was the sole occupying power. So an Asian union would be up against the same problem of non-Asian pulls in the ranks of its membership. That the interests of the U.S.—or of any Western power for that matter—might after all turn out to be coincident with that of the Asian union is a different matter. The existence of pulls should be recognized all the same. Anyway, on termination of military occupation and restoration of foreign policy to Japan it seems reasonable to invite that country to join the Asian union, notwithstanding the military clauses of a prospective peace treaty. There are many co-operative things that a regional organization does besides its main function of ensuring regional security, and to these Japan has much to contribute. There is, however, a technical point that still remains to be answered. A peace treaty for Japan may or may not sponsor that country for membership of the United Nations. And if it does not so sponsor, can a country that is not a member of the United Nations be a member of a regional organization brought into being within the meaning the U.N. Charter? This question will arise in the case of some other Asian countries too—Ceylon for example. It will be readily admitted that what is holding up its satisfactory solution is not the merit or demerit of the Charter provision in this regard but the absence of accord between the Western powers and the Soviet Union. Therefore, if Asian States can regionally organize themselves for peace without prejudice to the ultimate authority of the United Nations, there is no reason why such States as Japan should not be invited to join the Asian union pending their membership of the United Nations.

The future of Korea in Asia again revolves around Russo-American accord. The United Nations has fortunately refused to be bogged into Russo-American discord in this matter, and at the 1948 General Assembly has passed a resolution advocating a permanent commission to replace the former temporary one with a mandate to work for the unification of Korea and the withdrawal of Allied troops. Membership of either the U.N. or the Asian union to separate North and South Korean Governments under respectively Soviet and American occupation support is out of the question. And if Korea will be united it will only be on the basis of a general understanding between the United States and the Soviet Union.

To such understanding, in relation to Asia, is allied the problem of communism in this continent. To this in turn is allied the membership of the only major country of the region we have not so far mentioned, namely, China, as well as the later course of Japanese and Korean membership. Furthermore, how the association known as the Commonwealth of Nations of which three Asian States—India, Pakistan and Ceylon—are members will impinge upon an organization of Asian States, is also allied to such understanding. The Commonwealth has been asserted to be a free association in peace and war alike. Nothing prevents one member of the Commonwealth from joining a particular power alignment and another joining the opposite power alignment, but in that event the association would inevitably break

up. It is not likely that after subscribing to the latest Commonwealth declaration with such deliberation, India, Pakistan or Ceylon would like to be responsible for the break up of the association in such manner. Now, at the time of the declaration two members of the Commonwealth, Britain and Canada, were already members of a particular power alignment that is represented by the North Atlantic Treaty. In the absence of accord between the United States and the Soviet Union, the North Atlantic Treaty powers might conceivably conflict with the Soviet Union and its East European allies. In such an event, therefore, the three Asian members of the Commonwealth—in order not to take upon themselves the odium of being responsible for the break up of the association—must either support the North Atlantic Treaty powers or remain benevolently neutral. Now there are likely to be members in the Asian union ideologically sympathetic to the Soviet Union. And on how they will look upon the support or neutrality of the Commonwealth members of the union towards the North Atlantic Treaty powers will naturally depend the real unity of the union itself. *Uice versa* it must also depend upon how the Commonwealth members will interpret the support or neutrality of the communist members of the Asian union to the U.S.S.R. In other words this poses the basic question whether a regional organization that has no broad ideological homogeneity is at all tenable. One answer—and one suggested by the experience of the inter-American System—is that in extra-continental conflict members of a regional organization must have freedom of alignment. But the experience of the inter-American system in this regard is not conclusive, nor adequate. It does not, for example, provide for the fact that no one member of a prospective Asian union can be so overwhelmingly superior in military might to the rest of the members of the union as the United States is in relation to its 20 partners in the inter-American system. If these did not either support or remain neutral to the U.S. in its extra-continental conflicts, that would undoubtedly amount to their committing suicide.

At every communist success in China, observers, more especially in the West, are comforting themselves that the Chinese communists are essentially nationalist and will not toe the Moscow line. It may be so; or it may be a wish fancy. The question of national *versus* international communism will soon confront not only China but other Asian countries where communists may score success; whether these will follow an independent domestic and foreign policy, suited to the circumstances of their respective countries, or will become the Asian reflectors of the U.S.S.R. is more than one can say yet.<sup>18</sup> But communist Asian States should be eligible for membership of an Asian regional organization by the same token that Soviet communism has

<sup>18</sup> Cf. *Indian Information*, 1 December 1948, p. 485. Answering a question on Asian communism at a Press Conference in New Delhi on 12 November 1948, Pandit Jawaharlal Nehru said: 'The communists (of Asia) forgot the fundamental principle of communism or Marxism that it must keep in step with the conditions of the country wherein it functions. That is what Marx said, what Lenin has stressed and even Stalin has said several times—that you cannot repeat the same thing in any country. This, however, is exactly what has been done presumably in furtherance of some world policy. Whether it furthers that world policy or not, I do not know. But it has upset popular appreciation of events in that particular country.'

not made the U.S.S.R. ineligible for membership of the United Nations Organization. Indeed the prospect of communism might have to be faced in member-States that were not communist to start with. With half of Korea communist, Allied withdrawal might mean not a mere unified State there but in due course a unified communist Korea. In Japan, upon American withdrawal, it may be a struggle between communism and brazen Fascism.<sup>19</sup> In Southeast Asian countries it would be a struggle between the nationalist parties—engaged in freedom movements till recently and now in power in many of them—and the communists thrown up often from among the nationalist ranks themselves. As the unity of common opposition to foreign rule outlives its force and nationalist parties find themselves in difficulties in putting through their left programmes lavishly and unrealistically drawn up in the days of the freedom struggle, communism's ground must necessarily become more fertile, not because communism can deliver the goods in economic circumstances that must remain more or less the same even for it, but because a social structure uprooted in the wake of the freedom movement believes that communism can give it the mooring it has been groping for.

An Asian union whose formative starting point is itself the head-on collision between 'bourgeois' democracy and communism is therefore bound to stultify itself. It would be easy enough to keep prospective communist States at bay—even if communist China were admitted on grounds of that country's size and the 'nationalism' of its communists—by some academic but purposeless definition of the term 'democracy', or by a declaration that régimes coming to power through civil war and violence against 'democratically established' régimes would not be recognized by the member-States of the union, as was attempted at the Bogota Conference.<sup>20</sup> But that would only lead to the search by some members of technical loopholes through which they can manage to grant *de facto* recognition to such régimes on a temporary but continual basis. Such was in fact the way the U.S. got out at Bogota of the problem of recognizing rightist *coups* in Latin American countries. If communism came to power through bloodless *coups* or parliamentary majorities (subsequently made unchangeable) the pretext required for recognition would be still less. Even as successful collaboration in the United Nations Organization between the Western powers and the Soviet Union must depend upon the willingness of each to allow the other to pursue its own way of life—and not posit the destruction of the one for the survival of the other—the completeness of the Asian union and its utility must de-

<sup>19</sup> Cf. Dr. G.W. Keeton, *China, the Far East and the Future*: pp. 286-86: (Communist direct action) causes the occupying power to rely increasingly on conservative forces (in the legislature) amongst which nationalism is still strong—a fact to which Dr. Herbert Evatt drew attention in a debate on Australian foreign policy in March 1947..... Whenever the occupying power withdraws, the forces of extreme left and extreme right will quickly be locked in deadly struggle as they are elsewhere..... Potentially, therefore, Japan is a major storm centre of the future. Whether her problems are allowed to provoke another Far Eastern war depends ultimately upon the future relations of the U.S. and the U.S.S.R.

<sup>20</sup> See Part I of this article in *India Quarterly*, Vol. V, No. 2, p. 110.



pend upon a policy of live and let live on the part of both its non-communist and communist membership. If Asian communism were really more nationalist than European communism; less divorced from social tradition than its Western counterpart; in other words a movement for social justice and not a new religion, then such a policy has better chance. Indeed if that were so an Asian union might conceivably act as a third force between the West and the Soviet Union.

#### IV

The preparedness of Asian countries to assume obligations within a prospective Asian union is lessened not only by treaty handicaps but by various types and degrees of economic dependence on Western nations to which many of them continue to be subject, despite political independence. Such subjection seems to be inherent in the relative stages of development of Asian (excluding Japanese) and Western capitalisms. There is a century of time lag between the evolution of Western capitalism and the development of capitalistic enterprise in Asia. In Asia the application of capital and technology per unit of production has been less absolutely, and the rate of application is lower as well, than in the case of Western industry. Asian industry has no doubt been increasing technological application latterly, but Western industry has been increasing it even more, with the result that Asian private enterprise has no hope of catching up with Western private enterprise. However, the handicap to development arising from the time lag need not be perennial to Asian countries each as a whole, though to private enterprise in each of them it must necessarily be so and left to itself. Private enterprise in Japan succeeded in making good the time lag under conditions of national independence and political stability, and at a time when the technological gap to be filled was substantially less and international movement of goods and services was much freer. For Asian capitalism now these advantages are irretrievably lost; from the viewpoint of capitalistic development the political independence of Asian countries is at least half a century belated. In short, whatever the incentives given, left to itself private enterprise cannot any more adequately develop Asian countries. Its incapacity is inherent in the circumstances of its evolution.

Large-scale import of foreign capital under governmental auspices and its employment both in private and public enterprise under State direction, and large-scale State enterprise itself, now constitute the only way by which Asian countries can in the foreseeable future be technologically lifted up to reasonable competitive power with Western industry and so as to cause substantial improvement of living standards at home. With such a realization on the part of some Asian countries their attitude to foreign capital has recently undergone an unexpectedly rational change. In April 1949 India formally recognized the need for foreign private and public investment here and specifically assured existing and prospective foreign capital of non-discrimination. Negotiations are in progress for a loan from the International Bank for Reconstruction and Development for agricultural and railway devel-

opment. Burma has a Bill under consideration in her Parliament to permit participation of foreign capital in the exploitation of her mineral resources. Speaking on the Bill the Foreign Minister observed that while the Constitution sought to restrict exploitation of the country's natural resources to State-owned or Burmese-owned concerns, neither State nor national capital was at present in a position to exploit the mineral resources of the country. Turkey is already under a specific economic aid programme of the United States. It has been reported that foreign concessionnaires in China, most of whom are European and American, will demand guarantee of safety of their economic interests before their respective Governments can recognize the coming communist régime; even otherwise communist China would require colossal Western assistance for its reconstruction alone. The ex-emperor Bao Dai observed shortly before becoming head of the new French-sponsored Viet Nam State that Viet Nam would impose no restrictions on foreign investors. Siam will probably pursue a similarly encouraging policy towards foreign capital in its economy.<sup>21</sup> The understanding between the Philippines and the American economy now seems to be complete:

An alliance has been struck between American industry and the Philippine landowners whose position would be destroyed if they lost their privileged position in the American market. The Philippine landowner has therefore been protected by the Bell Act, which continues free trade with the U.S. until 1976.....and the Philippine Constitution has been modified to allow Filipinos and Americans to participate on equal terms in public utility enterprises.<sup>22</sup>

In its bearing on the prospects of an Asian union such developmental dependence of Asian countries upon non-Asian countries is also basic, for no one country of Asia is overwhelmingly endowed in relation to the rest, as the U.S. is in the inter-American system. In developed resources Japan and India lead the rest in Asia, but neither of them is in a position to extend financial aid to under-developed countries in the region. They are not in a position even to step into the breach if existing foreign capital were to withdraw for some reason. Just before the beginning of World War II Japanese economy had reached a stage of monopolistic concentration at which large-scale export of capital and technique to other Asian countries was possible. But now the best that Japan can hope for is a 'survival economy'. In fact even at that, SEAC's efforts quickly to rehabilitate Japanese economy—so that the burden of occupation administration might reduce—have evoked apprehension in Australian and British circles of Japanese competition in their Eastern markets.<sup>23</sup> While Japanese economy would not be allowed to expand sufficiently for capital accumulation, Indian economy is incapable of

<sup>21</sup> For a list of foreign firms in Siam, see Virginia Thompson, *Thailand, the New Siam*, pp. 831-41.

<sup>22</sup> G.W. Keeton, *op. cit.* pp 311-12.

<sup>23</sup> 'Certain foreign nations, particularly those which suffered from Japanese aggression, fear that Japan's trade expansion would make her strong and a threat to peace', said the Japanese Premier Mr. Yoshida on May 11. 'All we are asking now is access to materials and markets so that we may buy the food we need to live'.—*The Statesman*, New Delhi, 12 May 1949.

large-scale accumulation in post-war conditions; and, as we have already seen, is itself in need of foreign aid. Such aid not only to India but to all Asia must necessarily come, in the present situation of world economy, mostly from the United States which has the necessary margin of savings and technical know-how for foreign reinvestment. Therefore when the U.S. aids Latin America the aid is internal and there is no compromise of extra-continental influence; but when it aids Asia, the aid is external and the ability of countries, deriving extra-continental aid, to discharge certain obligations, like economic sanctions against an aggressor in whom the aiding power might have other interests, must naturally come to question. Moreover, mutual economic co-operation between Asian countries must itself depend to a great extent upon the degree of development of the individual economies of the region with foreign capital. Pursuant to 'point four' of President Truman's inaugural address of January 1949, it has been reported that the U. S. would enter into bilateral arrangements with individual countries under which direct American *technical* assistance would be offered on a Government-to-Government basis; and American private industry would be encouraged to extend its operations abroad in developmental projects. All these clearly point to the necessity for an understanding between the U.S. and the Asian union as an organization, if in practice the union is not to be reduced to utter ineffectualness.

One other offshoot of the above economic situation in Asian countries may be the growth of democratic socialism in them. For, to administer foreign aid among the various sectors of national economy—primary, secondary, tertiary—as well as to launch new large-scale State enterprises would be required machinery of advanced central planning. Such a growth might be welcome as a constructive and appropriate middle course in Asia between the barren indigenous capitalism and a futile, alien communism.

## V

Notwithstanding awareness of political and economic handicaps to an Asian union, leaders in Asian countries are increasingly in favour of a regional organization for Asia. Practical difficulties might tend to sober their optimism about the functions of the organization when it comes into being, but these have not by any means damped enthusiasm for setting it up. Nor has the vastness of the region deterred thoughts on the formation of the organization; it has only suggested possibilities of more than one organization for the region. The first official expression of the desire has come from the Delhi Conference on Indonesia (January 1949). By its third resolution 'the Conference expresses the opinion that participating Governments should consult among themselves in order to explore ways and means of establishing suitable machinery, having regard to the areas concerned, for promoting consultation and co-operation within the framework of the United Nations.' Referring to the resolution in his concluding speech to the Conference the Chairman, Pandit Nehru, observed that co-operation in a wider sphere is becoming more and more necessary and methods have to be devised to

bring it about. 'Europe and America have played a great part in world history and they will no doubt continue to play an important part. But it must be realized that Asia also wants to play her part and fully intends doing so. That part will be one of peace and co-operation'. During the discussions at the Conference representatives of the Philippines, Afghanistan, Syria and Yemen made specific mention of the need for a permanent organization. General Carlos Romulos of the Philippines mentioned the model of the Organization of American States in particular. Alongside with awareness of practical difficulties in the way of a permanent regional organization, it seems reasonable to hope that the very creation of one will help removal of certain obstacles to its successful working. An instance in point is extra-continental economic aid. A permanent organization is well suited to pool existing economic resources in the region and arrange for the supplementary foreign aid—as in the case of the European Recovery Programme—on agreed principles. The fear that extra continental political influence will follow economic aid could be largely allayed if development with foreign capital proceeded under organizational rather than bilateral auspices. In respect of regional security the organization can be an urge to the Security Council to take action if by its solidarity when peace in the region is threatened, it can assure the Council that it is ready to be used as the regional agency for enforcement action. And short of enforcement action it can make better proposals for pacific settlement of disputes arising in the region than the Council, by virtue of its more intimate knowledge of the region. Both these were in fact demonstrated by the Delhi Conference on Indonesia.

For the structure of the permanent Asian organization, that of the Organization of American States is far too elaborate a model. The organs of the O. A. S. have grown over several decades and their integration has come about gradually. An Asian union would find so many organs at the very start unmanageable and overlapping. Organs may grow in number as the organization develops and needs increase. The O. A. S. has six main organs and a number of subsidiary ones.<sup>24</sup> The Conference of Asian States, normally meeting every other year or once in every three years—as against the Inter-American Conferences normally meeting once every five years—would be the supreme body of the Asian union. The second and third organs of the O. A. S. viz., the Meeting of Consultation of Ministers of Foreign Affairs and the Council, may be combined for the Asian union into a single council, composed of governmental nominees of ambassadorial rank for general purposes, but requiring the attendance and vote of Foreign Ministers for decisions on matters of collective security, war and peace. The secretariat of the organization would bear the same name as the Asian union and discharge purely secretarial functions, the function of co-ordination being left to the council itself. The organization would have four specialized advisory-cum-executive bodies to begin with, whose advice on matters of their respective concern would ordinarily be accepted

<sup>24</sup> See Part I of this article in *India Quarterly*, Vol. V, No. 2, p. 108.

by the council. And the council may require these bodies to implement the decisions after it has taken them on such advice. These specialized bodies are a defence commission, an economic commission, a minorities commission and a commission to act as liaison with the United Nations specialized agencies in the Asian regions. The defence commission, composed of the highest military personnel of the member-States, would have larger functions than the advisory defence committee of the O. A. S. This committee is convoked when the Foreign Ministers deal with matters relating to defence against aggression, in order to advise on military co-operation in case of application of collective security provisions; and it prepares technical studies and reports on assignment from the Foreign Ministers. The defence commission of the Asian union would not only advise at times of application of collective security provisions but constantly apply itself to problems of defence, development and co-ordination between member-States. It will study and report on its own initiative on technical matters in military organization. The chief function of the economic commission would be to evolve agreed principles to govern the invitation to foreign capital, to study and report on the progress of the application of such capital, to advise on achieving uniformity in the treatment of foreign capital and technical skill by Asian countries, and to arrange for inter-Asian exchange of capital and technical assistance. Here again the functions of the economic commission would be more positive than those of the Inter-American Economic and Social Council which confines its activities to promotion and co-ordination of inter-American economic and social activities. A minorities commission is a very important organ of an Asian union because national and racial minorities in many East Asian countries have been the cause of suspicion and jealousy between them. Indeed many Southeast Asian countries fear population expansion from India and China, while the population policy of Australia is provocative to Asians in general. It would be the function of the minorities commission to work continually for the elimination of the causes of friction between member-States on account of national and racial minorities that have settled down in them. It would study problems of population movement in the region and superintend emigration and immigration if called upon to do so by the council of the organization. It would also work for the codification of migration laws in various member countries. A separate commission is necessary to act as liaison with the U. N. specialized agencies in the region both to better utilize the agencies for the benefit of the region and to brief the Asian members of those agencies who have often to contend with the non-Asian membership in them.

## PROBLEMS BEFORE THE COMMONWEALTH

By H. V. HODSON

THE Prime Ministers' Declaration of 27 April 1949, accepting India's proposal as to her continued membership of the Commonwealth after she became a republic, is commonly regarded as marking a sharp and decisive

change in the Commonwealth's nature and line of development. It was indeed a vital and constructive effort in itself. But just as the Statute of Westminster of 1931, which gave complete legislative autonomy to the Dominions, arose by natural evolution out of the new national and international status that they had gained after the first world war, so the Prime Ministers' Declaration had its evolutionary origin in an earlier development, namely the admission of India, Pakistan and Ceylon as sovereign members of the Commonwealth in 1947. That was the decisive historical moment.

In turn it was, of course, the culmination of British policy, as expressed in the 'Dominion Status' pledge given to India in 1929. But that India would in fact ever pass through a period as a Dominion was by no means a foregone conclusion, after the federal provisions of the Government of India Act, 1935, had had to be abandoned, and after all the experiences that the British Empire in Asia had undergone, internally and externally, since 1939. A great deal is owing to the Government of India Act; for, all other reasons apart, when the moment came to hand over power there was an universal advantage to all concerned in using a constitutional instrument which was not only ready to hand but also through the use of extraordinary powers by the Governor-General, highly adaptable until India, and Pakistan could frame Constitutions of their own. Otherwise there might have been no interlude while they discovered for themselves, as Dominions, the reality of independence within the Commonwealth.

Whatever the immediate causes, by the decisions of July-August 1947 a profound change was made in the nature of the Commonwealth. Up till then its independent membership had been confined to a group of nations closely connected by blood, all European in racial origin and in culture, all sharing in a European attitude towards peoples of different continents, colours or races, with a past history not of conquest and upheaval but of settlement and evolution as new nations. To this family group were suddenly added three Asian nations, whose history was one of submission to and revolt against European imperialism, and whose culture, though deeply affected by European contacts, had deep roots in their own soil and their own religious faiths.

If the Commonwealth were finally to retain these new Asian nation-members, it would obviously change its political nature. If they separated from it, there would be an equally drastic change: for as a factor in world politics the Commonwealth had owed more, perhaps, than was generally recognized to its unchallenged command both of Africa south of the great deserts and of the whole Indian Ocean basin; and without India, Pakistan, Ceylon and Burma it would be a scattered group of countries lacking the geographical cohesion which the Indian Ocean unity supplied.

Last April the countries of the Commonwealth, not without searching of heart, chose the internal rather than the external change. It is as well to recognize the variety and extent of the objections—psychological, if no more, but none the less powerful—that stood in the way of accepting the proposition that India, though a republic, should remain in the Commonwealth. Since I am writing for an Indian audience I need not stress the difficulty of

persuading a political majority nurtured in the revolt against the British raj to forswear complete detachment from Britain and to vote a free India into the community of nations which some of its people still call the British Empire. But there were equal if not greater difficulties on the other side.

The notion of a republic in the Commonwealth was repugnant to all those who saw in loyalty and affection to the Crown the true emotional source of the Commonwealth bond, and in allegiance to the Crown its constitutional backbone, the basis of our common citizenship and generally of our 'unforeignness'. Nor was this only sentiment, or a merely private and unreasoning state of mind. The whole story of the Commonwealth is one of the gradual evolution of constitutional monarchy. No other form of Constitution would have served the same end. A President, even if possessing only formal powers, has to be elected by some body of voters: a Presidential Head of the Commonwealth would presumably have to be elected by voters in all its countries, with the inevitable result—even if they were not hopelessly divided and quarrelsome over contested elections—that they would be conscious of being elements in a constitutional structure larger than themselves, overriding their nationhood and so diminishing it. To be wholly independent constitutionally, they would have to separate completely. No such dilemma arose over the Crown. It was perfectly divisible as regards all its constitutional powers, yet it remained one for the whole Commonwealth, personified in one King. The Crown was thus essential to the whole concept of a Commonwealth of independent nations, equal and sovereign in status, yet organically united in a group having a unity of its own and an internal relationship different in kind from the relationship between foreign countries.

To the constitutionalists, therefore, Indian republicanism presented a seemingly insurmountable obstacle. Then there were many people in Britain and the older Dominions, including some with deep knowledge of India and affection for her, who felt quite frankly that India was too different from the older members of the Commonwealth for them ever to combine in a true, organic community of nations—that the only result of making sacrifices in order to keep her and the other Asian Dominions in the Commonwealth would be to dilute its strength and reality.

And this belief, or doubt, was strongly reinforced by the utterances of Pandit Jawaharlal Nehru and other Indian spokesmen on international affairs; for they seemed to be saying, not merely that India was not committed to join in any future war by reason of her membership of the Commonwealth—a proposition asserted by every Commonwealth member, and universally accepted—but actually that India would in any case stand neutral. It is one thing to say 'We will not promise in advance that we shall fight with you', and quite another to say 'We will promise in advance that we shall not fight with you'. From the point of view of security—the first preoccupation of any State or community of States—the latter policy, if it was really India's, seemed to make little sense of her continued membership of the Commonwealth.

And then there were plenty who looked with apprehension to the pos-

sible consequences upon other members of the Commonwealth of admitting an Indian republic to the Commonwealth. Would not Pakistan very soon follow suit? And later Ceylon? And what of the Union of South Africa, where Republicanism has been a political issue ever since the foundation of the State, keeping the British and the majority of the Afrikaans-speaking communities apart? If a republic could be admitted to the Commonwealth, would not the South African Nationalists seize the chance to declare their own republic, stunning British and other opposition with the argument 'If India can do it and remain in the Commonwealth, so can we?' In short, where would this slippery slope end, when once we had embarked on it?

I have described all these major obstacles to a settlement that would keep an Indian republic in the Commonwealth for two reasons. The first is to emphasize how remarkable an achievement was the Prime Ministers' Declaration: not only unanimously adopted, as it was, by the representatives of the eight countries, but received with applause and goodwill by the great majority throughout the Commonwealth, in India and in Britain and in the Dominions new and old.

The second reason is to suggest that in all these obstacles and difficulties, now apparently overcome, lie problems for the future. On 27 April 1949 was ratified a great endeavour, an act of dedication, as it were, to a new ideal of Commonwealth. The experiment is confirmed; new reserves of goodwill are drawn upon; but the difficulties remain.

There remains a constitutional problem of a profound kind, which the Governments of the Commonwealth countries are rightly disposed to fob off as much as they can, but which we ought not to imagine will entirely solve itself. The constitutional pattern of a Commonwealth of nations 'united by allegiance to the Crown', though needing to be brought constantly up-to-date, was in essence quite simple, and capable of being fitted into the general theory of international law: these were independent States, but under one Sovereign—acting differently, it might be, but all acting in the name of a common Crown. The exceptional nature of their relations among themselves was admitted, tariff preferences being the test case, though not the only one of importance. In the realm of personal status, although each member country freely prescribed the rights and duties attaching to its own citizens and to other subjects of the King, there was a basic common 'nationality', British subjecthood, connected with the idea of allegiance to the British Crown.

And on that common status (the only nationality known to the laws of Britain herself until the passage of the British Nationality Act, 1948) rested a complex and infinitely varied apparatus of inter-connexion both official and unofficial. All British subjects, for example, are eligible for public office generally, and for membership of the Armed and Civil Services, in the United Kingdom; for all owe allegiance to the Crown, and all alike, therefore, commit the same offence and expose themselves to the same penalties if they betray that allegiance.

But what is the position, on the plane either of international relations or of personal status, when the group includes a country (and later, possibly,



more than one) which denies the allegiance, abandons the Crown as national Head of State, but accepts the King as the symbol of free association in the Commonwealth, and, as such, its Head? What kind of constitutional import can we give to this concept of Headship of the Commonwealth, distinct from Headship of State of its several member nations? Will it be acceptable to foreign countries who might claim, under most-favoured-nation treaties, the same treatment as a Monarchical member of the Commonwealth afforded to a Republican member, on the ground that the old nexus had been broken and that Monarchy and Republic were now foreign to each other? Would it stand up to challenge in an international court of justice?

Would even our domestic courts sustain the idea of common nationality as between individuals or countries owing no common allegiance, however tenuous, to the same titular Head of State? It is true that, as regards United Kingdom law, the British Nationality Act of 1948 defines Commonwealth citizenship and British subjecthood as identical and as being acquired automatically, by those whom India and the Dominions admit by their own laws to be their nationals. But nationality law is a good deal more complex than the provisions of a single Act—which might itself even be challenged in this respect on the ground that its unwritten assumption as to common allegiance had been vitiated so far as Indian nationals were concerned—and I cannot help feeling that much adaptation and exposition, perhaps legislation too, may be needed before we re-establish securely, under the umbrella of the new idea of Headship of the Commonwealth, that condition of national and personal 'unforeignness' which is the essence of the Commonwealth relationship.

The problem of personal status leads on to another, more difficult and inherently more important than these constitutional conundrums: the problem of race relations and racial inequality within the Commonwealth. It is a proof of the statesmanship of Pandit Nehru and his colleagues in the Indian Government and the Indian National Congress that they have not allowed this problem, which arouses so much anger and stirs so much pride, to stand in the way of India's continued membership of the Commonwealth; for, as he says, India would be in no better position to work for its solution outside the Commonwealth than inside, and might be in a worse. Indeed, my own view has long been, not only that race relations are fundamentally the most vital and most dangerous problem in human affairs in the twentieth century, but also that if that problem cannot be solved within the Commonwealth, it certainly cannot be solved outside, in a democratic world. No issue is therefore more important for the Commonwealth itself.

Let us not under-estimate its difficulty and complexity. It is a profound mistake to try to judge other people's attitudes without first doing one's best to understand their reasons and appreciate their experiences. We are too apt, I think, here in England to rush into judgement on South African or Australian or Indian affairs without any understanding of the totally different circumstances from our own that surround the people of those countries. The only way of approaching such matters is to ask ourselves, 'if we were

in the same position, what would we do?

As soon as we make that kind of approach we see that the problem is never one of absolute right or wrong, but rather one of gradual improvement or gradual worsening within certain limited possibilities. That is why I believe that the Commonwealth, with its tradition of gradualism, of conciliation, of mutual understanding and friendship and frankness, can contribute something unique to the improvement of race relations and the evolution of means whereby peoples of different race, religion and standards of life, who do not inter-marry or become assimilated, can live alongside each other in a national or regional community.

This is not an issue which concerns only the relations of European with Asian or African peoples. It is just as difficult and dangerous as between different non-white races within the territories of Asia or Africa. A classic example is Malaya, where Malays, Indians and Chinese each constitute a great community, with economic interests and political ambitions of its own, and with only the faint beginnings, as yet, of a sense of common nationality transcending racial differences. Evolution within the Commonwealth is the only alternative to an indefinitely continued imperial rule on the one hand, and on the other to the chaos and self-destruction which sudden, complete independence would bring. In East and Central Africa there are similar problems of inter-communal differences, still unsolved and growing all the more acute as democracy advances.

How, indeed, is democracy to work in what have come to be known as 'plural societies'? Certainly not on the traditional Parliamentary pattern, which assumes a basic homogeneity between majority and minority. That is a question to which experiment and endeavour within the shelter of the Commonwealth could and should find an answer.

All these problems, of course, are subordinate to that of world peace. To this the Commonwealth has its own contribution to make, different from that of its member nations individually, and different, too, from that of the United Nations or other organizations or groups to which they may belong. For history has left the Commonwealth with a commanding position in two great areas of the world whose preservation from outside attack is vital to the maintenance of any system of world peace and security. Those two areas are the Indian Ocean basin and the continent of Africa south of the great deserts. In addition, of course, the Commonwealth countries play a crucially important rôle in the regions of Western Europe, the North Atlantic and the Pacific—important, but fractional.

Now in the Indian Ocean theatre (to which the African theatre is largely subordinate, in terms of world strategy) the formation of an ordinary regional alliance, like the Brussels Pact, for instance, which would be the normal way of coping with the task of keeping the region at peace internally and united externally, is ruled out by several special factors. There is the wide variation in power and resources among its independent countries; the existence of old or new unsettled disputes among them; their different histories of imperialism and anti-imperialism; the rooted objection of some constituent

countries, of which India is the greatest, to commitments which would seem to prevent their being neutral, should they so wish, in any future world conflict, or would involve them decisively with one side or the other in the present line-up of world Powers, or would prejudice their ability to pursue, unhindered, group policies of their own, like pan-Islamism or the unity of Asian peoples. So we have the paradox that a natural and necessary region for security purposes cannot combine regionally.

All the most important of its member countries, however, can combine in terms of the Commonwealth. The Commonwealth gives them an assurance of friendship and of the maximum unity in action, yet without prejudice to their right to decide for themselves how to act in a crisis or beforehand. It is a unity for defence without being an alliance. It is a unity, not only in the sense that membership of it automatically presumes common ideals, including the complete renunciation of war save in defence against aggression, and a common refusal to contemplate the idea of war between its members, but also in a far more material and day-to-day sense. Its members act, in foreign affairs, on their own responsibility, but on common information, freely exchanged between them; they have their own completely independent defence forces, but they interchange personnel, equipment, technical experience and practice, in such a fashion that if a crisis arose in which a threat—like a penetration of the Indian Ocean rim—menaced several of them they could all act together, if desired under unity of command, with the minimum of fuss or technical difficulty.

These are great advantages, of real practical value in a dangerous world. But their worth depends absolutely on the soundness of the underlying assumption that the countries of the Commonwealth will keep close enough together in the development of their national policies that when any big trouble comes they will look upon it from friendly and similar standpoints. And that in turn depends on there being ample and effective means for mutual consultation and co-operation.

I am not one of those who think the present means ideal. The extraordinary value attached to the two Prime Ministers' Conferences held in London in October 1948 and April 1949 shows how imperfect the routine mechanism of consultation and co-operation is unless it is fortified by frequent personal contacts. These must be developed at all levels from Prime Ministers to minor officials, and beyond the official field in that of professional and private contacts. In particular, the postponed conference of Foreign Ministers of countries concerned in the Indian Ocean area, which was to have been held in Colombo earlier this year, ought not to be much longer delayed.

We shall not solve the other problems before the Commonwealth, some of which I have outlined, unless we take the fullest advantage of our fundamental benefit—mutual unforgetfulness. In the development of the meaning of that benefit lies the unique opportunity and responsibility of the Commonwealth in an age when all too many things keep nations apart, and too few join them together.

## STEPS TOWARDS EUROPEAN UNITY

By DR. GIRIJA MOOKERJEE

THE conception of a European Union, if not a systematic plan for its realization, is of quite old origin. During the various periods of European history, many attempts have been made to unify the countries of Europe, not perhaps on a federal basis, as it is being attempted now, but generally, under the suzerainty of a common monarch. The Roman Empire had brought a great part of Europe under its political influence and had thus in reality shaped the structure of Europe, as we know it to-day. The Romano-Hellenic Empire had formed also the character of European civilization, if not its contents, and in historical times, it was only during the age of Roman expansion to the north that Europe had known a considerably long period of administrative and territorial unity. With the fall of the Roman Empire and the rise of Christianity, Europe had receded to barbarism for a long time and although European civilization retained even through the Dark Ages, some of its Mediterranean and Byzantine inheritances yet the synthesis between the Roman culture and the tribal traditions of the various European peoples, was never really completed.

It was afterwards with the advent of Charlemagne that Europe came to know once again a high degree of territorial and cultural unity, however short-lived. Charlemagne's coronation as the Emperor of Rome in 800 A.D. was an achievement towards European unity, the like of which Europe has not known since, for it was only during his reign that Europe was united from the Elbe to the Ebro and from the Eider to the Tiber. The Empire of course did not outlive its founder, perhaps because Charlemagne had wanted to create a Holy Roman Empire of the Germanic Peoples rather than a united Europe; but still the idea of it persisted. The more enlightened minds of the time had seen in it the prospect of a unitary organization of the Western world, and this vision has come again and again to more thoughtful Europeans, through-out the ages.

And although the vision was there, it began to dim perceptibly all through the sixteenth and seventeenth centuries when the warring European peoples seemed to be the farthest from the conception of a European union—even farther from it than they had been during the Roman time and at the time of Charlemagne. But the Thirty Years' War had caused so much havoc in Europe that it seemed to have stirred deeply European conscience for a settlement of Europe's various problems and the result was the first Congress of European States in 1648, otherwise known as the Treaty of Westphalia signed in Muenster. Here the European monarchs and statesmen tried to lay down some workable principles for settling their boundary and other disputes, although the terms of the Treaty favoured France more, than what was Germany at that time. The Thirty Years' War, which is often attributed to Reformation and which has been called by some historians, the First World War, had done irreparable harm to European unity. But that there was already some consciousness of the futility of such wars, was illustrated

by the fact that it was during the first part of this war that the Dutchman Hugo Grotius published his *De Jure Belli et Paci* in Paris in 1625. This book is still considered to be the source book of international law, and its publication at that particular time, showed unmistakably the desire at least among a certain section of European people, to bring the dynastic and other claims for territory under certain well-regulated principles of law.

Yet it cannot be said that the idea of European unity made much progress in the eighteenth century. Napoleon in the 19th however gave the impression that he was unconsciously fumbling in the direction of a European Union and had it not been for his desire to impose a unified Government on the peoples of Europe by force and under the leadership of France, he would have perhaps succeeded. But Napoleon's scheme of conquest fitted ill with the doctrine of *Liberté, Égalité et Fraternité* which his soldiers were preaching to the peoples of occupied countries. At any rate, the peoples of Europe under various monarchies had already become conscious of nationalism and the Kings and Dukes of various kingdoms and principalities, east of the Rhine, did not therefore find it difficult to enlist popular support against Napoleon's 'grandiose' scheme of conquest and his ambition was eventually frustrated. The Congress of Vienna of 1815 became afterward a triumph of legitimism and Metternich's 'concert of Europe' although it had maintained peace in Europe until 1870, yet it turned out to be the main instrument in accentuating the differences among the European peoples. The result was that although Europe prospered, it did so, separately and irrevocably, as nation-States. There is no doubt that the 'concert of Europe', had instituted the system of consultation among the Great Powers, but this did in no way draw them together. As a matter of fact, the idea of Sovereign nation-States in its present form, dates from that time. The Habsburgs had tried hard until about 1806, to maintain a shadowy Holy Empire of the German people but at the time of Napoleonic wars, it had already become a *Titel ohne Mittel* and there was of course no attempt to revive it after the Congress of Vienna.

## II

Yet a growing sense of European community was there throughout the nineteenth century, born out of pride for European achievements in Science and the Arts, and specially because of world-wide successes of European nations, in bringing less developed peoples of the earth under their domination. It was not yet the '*Blutgemeinschaft*' of the Nordicists; but outside Europe, the French, the Dutch and even the English, specially in relation to non-European peoples were becoming conscious of a certain community of culture and feelings, which above all arose from their community of interests. This did not prevent their cutting each other's throats, when national interests were involved but before the still inarticulate and greatly outnumbered masses of Asia and Africa, with whom they were brought into contact, the Europeans felt a certain sense of unity among themselves, largely, as shown by Spengler in his *The Decline of the West*, owing to the fear of being swamped by the non-Europeans rather than out of a consciousness of a common cultural heritage.

The War of 1914-18, was, however, the most serious crisis in inter-European relations but it brought forth another factor, namely, the participation of non-European peoples in a war against the Europeans, thereby undermining considerably the belief in the superiority of the European nations. The emergence of Japan as a first class modern power drew the European colonial powers also more to one another, because of the threat which Japan represented to their privileged position in extra-European continents. On the other hand, the cruel nature of the war had left behind many scars in people's minds and many had seen the futility of a modern war, for, as Sir Norman Angell showed so brilliantly, it was just the 'Great Illusion.' Some writers of the twenties even went to the length of calling it a Civil War, for according to them, the interests of European nations demanded that they should remain united amongst themselves, in order to face together the greater danger of the non-European races, who were challenging the right of the Europeans to relegate the peoples of Asia and Africa to a position of perpetual inferiority.

All these considerations, together with a genuine desire for peace among some enlightened European statesmen, had given rise to the idea of collective security and although the League of Nations was started with the handicap of being dominated from the beginning by the Great Powers, yet it was in some way, also a reflection of the desire, for collective security. Towards the end of the Twenties, the helplessness of the League of nations had become quite evident and regional arrangements were considered to be the only practicable solution of Europe's problems and this new attitude in international relations led eventually to the signing of the Locarno Pact, in the pious hope of creating a *Etats-Unis' d' Europe*, thought of in that epoch, first, by Aristide Briand. The idea was received enthusiastically in some circles in France, specially, as France saw no means of obtaining a guarantee from Britain to the effect that in the event of an aggression, Britain would come to France's aid. In spite of being a member of the League, France had therefore, reinsured herself by making military alliances with the Eastern European States or the Succession States but even these alliances did not allay her fear and consequently a section of French opinion advocated a thorough reorganization of Europe on a federal basis, in view of the new developments after the Treaty of Versailles. A Pan-European Union Society was founded in Paris in 1923, and at one of its meetings, M. Herriot declared in January 1925 that it was his greatest wish to see the realization of the United States of Europe. M. Briand, later, pursued the idea and submitted a memorandum which came to be discussed in the League in 1930, in which he showed that the idea of Union even without unity was a practicable one and that if a federal Europe came into being, it might work as a 'League within the League' and thus enable the European States to greatly strengthen their position *vis-a-vis* other members of the League, and at the same time, assure peace in Europe.

But Europe was fast heading towards war, in spite of all these attempts to make the European nations see its futility and no effective check to this disaster seemed to have been found by anyone. At this juncture, Clarence K. Streit, an American writer, published his now famous book, *The Union Now*

in 1938 and threw out the suggestion that the West European democracies and the U.S.A. should be organized into a federation, with a common government, for the purpose of defence, as well as, foreign and economic policy. His book and its conclusions were based on his observations extending for many years on the working of the League of Nations and his personal knowledge of the Peace Conference of 1919. It created quite a stir at that time, specially in the Anglo-Saxon countries but his plan proved to be unsuited to European conditions, for Streit had stressed too much on the American example which did not seem to apply well in the variegated State-structure of Europe. Anyhow, Streit was one of the first among the modern political thinkers to write about a union of Atlantic democracies, the idea of which has, after nearly a decade, taken shape now in the form of an Atlantic Pact. Streit's idea, however, was followed up by the formation of an organization called 'Federal Union' in many countries of the world, including Argentina and although this movement did not lead to any practical results at that time, it, however, popularized the conception of a European Union and much of the talk of European unity, we hear today owes its origin to Streit and his Federal Union movement.

Strangely enough, the second World War did not demolish the idea of a European Union. In fact, it was brought to the forefront specially by Nazi propaganda. The Nazis tried to convince the countries they had overrun that the old state-systems in Europe had perished and that the only salvation of Europe lay in a union of European States under the leadership of Germany. The war against the Soviet Union was made to look as if it were being fought to save Europe and many thousands of Europeans who fought in the Nazi rank, did so in the belief that they were defending Europe against Asian barbarism.

### III

At the end of the war, the arguments advanced by the Nazis for European unity had not lost their force and in fact, owing to the increasing conflict between East and West, as a result of the breakdown of the London Conference of December 1947, they appeared to be more valid than before and the Soviet penetration into the heart of Europe had stressed the urgency of uniting Europe even further. And thus, when Winston Churchill made his famous appeal at Zurich on 19 September, 1946, for a kind of United States of Europe, it did not seem to be a new idea, although to many, accustomed to hear the same arguments in favour of a united Europe in the German-controlled press and radios of Europe, it appeared at first to be a bit baffling. Churchill's speech became a sort of rallying point of all the Federalists and the Unionists of Europe, and the idea was followed up in a very practical manner by one of the oldest crusaders for a United Europe—Professor Coudenhove-Kalergi—who in 1947 sent out about 4,000 letters to the members of various European Parliaments asking their opinion about the advisability of a pan-European Federation. He received many encouraging replies but his attempts were received in the beginning, rather hesitatingly, for in many countries of liberated Europe

even then, to be a Europeanist was synonymous with being a *Collaborateur*. But the demand for a European Union grew stronger, first, because the economic conditions of practically all the Western European countries had become exceptionally serious round about the spring of 1947, secondly, the increasing differences between the Soviet Union and the U.S.A. had brought home to the European statesmen the need of military co-operation, mainly against the Soviet Union. The hard winter of 1946-47 had greatly affected the recovery programmes of all the European countries and production was not making any headway at all. Europe was suffering from a perpetual adverse balance of payments and when the UNRRA was wound up in 1947, most European countries realized that shortages of consumer goods were such that unless the European countries co-operated among themselves, they would never be able to avert a disaster. On the other hand, owing to the overwhelming military superiority of the Soviet Union *vis-a-vis* the European powers, it was felt that only by uniting the resources of European States, something like a counterpoise to the Soviet Union and the Eastern bloc could be realized. For this concentration of power, according to the European statesmen, a Grand Alliance of the European nations was necessary as an antidote to the disturbed balance of power system on the Continent.

Thus, we see that the main inspiration for a European Union has not come so much from a desire for cultural unity or political settlement among the European nations, as from a determination to ensure the pre-war position of the West European nations. Besides, it became quite evident soon after 1946, and specially after the Polish experience, that the Eastern European States had definitely come within the orbit of Soviet influence and that a European Union could be thought of only in terms of West European countries i.e., the countries which had remained outside the so-called Iron Curtain. But the European statesmen, who wanted to bring about a real union of Europe, did not want at first to offend Soviet susceptibilities and that was why an Independent League for European Co-operation was founded by M. Van Zeeland, the former Belgium Premier, in 1946 because of the belief that the movement started by Churchill was primarily aimed at Soviet Russia and her allies and could only lead to the formation of a Western Bloc of powers against them. The purpose of the Van Zeeland organization was to create a closer association between the countries of Europe, in the economic and cultural spheres, in order to speed up their reconstruction.

In the meantime, however, the United States Secretary Mr. Marshall, in a speech on 5 June 1947 indicated the desire of his Government to help the European countries financially in their work of reconstruction provided they could produce a jointly agreed programme for meeting their needs. As a result, representatives of sixteen countries along with those of the Military Governments of Western Germany and Trieste met in Paris on 12 July 1947, and later, they published a Report on 22 September 1947 embodying their suggestions, on which later the European Recovery Programme (E.R.P.) was based. It was, in reality, a report on the actual requirements of the European countries for their economic recovery and referred largely to the



adverse balance of payments from which they all suffered. This report is now known as the Report of the Committee of European Economic Co-operation, and one of the recommendations of this Committee was to set up a 'continuing' (but not a permanent) organization in order to 'review progress in the execution of the (E.R.P.) programme, and consequently on 16 April 1948, the sixteen nations who had qualified for the Marshall Aid created the Organization for European Economic Co-operation, known as the O.E.E.C. It has a Council composed of all the members and an Executive Committee appointed annually by the Committee and the main purpose of the Organization has been defined as 'to promote mutual consultation and to create the machinery necessary for European economic co-operation, especially in matters of trade, international payments, and movement of labour.' This Organization will come to an end when the special assistance for the recovery of Europe is no longer necessary and it has been estimated that by 1951-52, Europe will have a self-sufficient economy.

While the Marshall Plan aid has led automatically to a certain integration of Marshall Aid countries on the economic plane, in the political field, some European States at least, have come very close together as a result of the signing of the Brussels Pact in July 1948 and lately, by the formation of a Council of Europe by the Foreign Ministers of ten West European countries (Britain France, Holland, Luxemburg, Italy, Eire, Norway, Denmark, Sweden and Belgium) in London on 5 May 1949. The Brussels Treaty has also set up a Consultative Council to be composed of the five Foreign Ministers of the signatory countries and the Council is to meet once in three months. As a result of this Treaty, a European Defence Committee has also been created presided over by Field Marshall Montgomery with his headquarters at Fontainebleau. On the other hand, the Council of Europe, which has recently come into being, is meant to be the future Parliament of Europe and this Parliament is to meet for the first time in August 1949 at Strasburg. It has been decided in London that the Council will be made up of two organs: (1) A Committee consisting of representatives of Governments (normally the Foreign Ministers) and (2) a Consultative Assembly. Each country will have one representative on the Committee with one vote only. The Consultative Assembly, which is expected to be the future Parliament of Europe will be composed of 87 members of which Britain will have 18, Belgium 6, Denmark 4, France 18, Eire 4, Italy 18, Luxemburg 3, Holland 6, Norway 4, and Sweden 6. The Assembly will be able to make recommendations to the Committee of Ministers and all Assembly resolutions will require a two-thirds majority of the representatives voting. It is worthwhile mentioning here that it has taken quite a long time for the European countries to come to a decision about the Council of Europe, for in May 1948, when the so-called Congress of Europe met in the Hague, there was no unanimity among the members regarding either the nature or the scope of a European Parliament. Eventually in February this year (1949), an International Council of the European Movement was created under the presidency of Mr. Churchill in Brussels, where the decision was taken to

form the Council of Europe, and it was there that other organizations aiming at European unity, agreed to merge their efforts with the I.C.E.M.

## IV

Thus, on paper at least, a European Union has been formed although not with so much conviction that it will finally lead to the creation of a United States of Europe on the pattern of the U.S.A., which seems to have been the ideal set by most of the Europeanists. The obstacles towards the realization of this ideal are many, not the least of which is the fact that the idea of Europe as a geographical entity is of comparatively recent growth and is not shared by many peoples of that Continent. A United States of Europe on the model of the American federation is not practicable either, because the nation-States of Europe, unlike the American States, have a long history behind them and have grown organically as a result of past history; and even geography has determined the course of the States which comprise the European Continent. It may be that there are many people in Europe, including also a large proportion of the European masses, who vaguely believe in the need of European co-operation, but since they have been used for generations to owe allegiance to certain States, it does not seem to be possible for them now to suddenly transfer their loyalties to a State which does not exist yet. Nevertheless, it is true from the point of view of Europe, as V.A. Virsoff has so ably pointed out, that a Federal Union of Europe provides the only answer to the present problems of that continent. He further thinks that 'a Western Union remains practicable, more so perhaps than at any other time, and eminently desirable' as this is the only body according to him which is 'capable of meeting the threatening potentialities of the near future'.<sup>1</sup>

The author of this book, incidentally, also, gives away his case, for the desirability of a European Union or Western Union has arisen, according to him, owing to the threat to Western Europe from the East, which in other words means that the rise of the Soviet Union as one of the two Great Powers of the post-war world has threatened the very existence of the ancient States of Europe. This, however, proves that a European Union at this stage will not grow organically and can only be an instrument of military action against the Soviet Union, since its very foundation is based on a negative idea.

And then, even without bringing in the question of the Eastern European States which have more or less by now been totally integrated into the Russian system, one cannot think of a stable European Union, unless both France and Germany—the two countries which really count on the Continent—have been definitely reconciled. In other words, the cardinal plank of a European Union should be, if it is meant to be viable, a Franco-German Union at the same time. But as things stand today, such a prospect is very distant indeed! In fact, those Frenchmen who think in terms of a European Union at all, do so, as a barrier against Germanic expansion and not so much as a block of the West European States against Russia. On the other hand, the idea of a

<sup>1</sup> *The Unity of Europe*—V.A. Virsoff (Lindsay Drummond-Lond. 1147) p. 302.

European Union is generally speaking, still very much discounted in France. André Geraud (Pertinax), the well-known French publicist, voiced this opinion recently when he wrote: 'As a political entity Europe never existed, the Holy Roman Empire was the nearest approach to it. An intelligent Frenchman believes in the Atlantic Community. He does not believe in "Europe".'<sup>1</sup>

This being the case, it is very doubtful whether the present Council of Europe, will have much substance and one does not know whether it will not founder again, sooner or later, on the rock of Franco-German hostility. The French Europeanists, i.e., those among them who seem to be convinced of the urgent need of a European Union, are very much conscious of German predominance in a European Union, both because of the numerical superiority of the Germans and because of their advanced industrial strength. That is why, Germany has not been invited to join the Council although many Germans had shown their willingness to do so. A Council of Europe without Germany, as well as the East European States can be only a vehicle of expressing pious platitudes of European unity or at best, it can be merely an instrument of supplementing, on the political plane, the objects which have been embodied in the Atlantic Pact, on the military plane.

## V

Besides, the other great obstacle towards the functioning of a European Union is the composition of the British Commonwealth of Nations. It is obvious, that without the full participation (that is to say, integration) of Great Britain in the working of such a Union, it can never have either the prestige or the reality which it needs. But, British opinion in spite of Mr. Churchill's support to the cause, is against the surrender of sovereignty to a European Federal Union. As a matter of fact, even Mr. Churchill, who set the ball rolling at Zurich, did not think at that time and probably does not think even now, that Britain would form an integral part of it. Those who sympathize with the idea in Britain, seem to think that the European Union will be composed of Continental countries whereas, Britain will be a sort of patron to it, without committing herself much to it and above all without facing the painful necessity of choosing whether British sovereignty will be merged in the Union. To determine Britain's position in the European Union, the Royal Institute of International Affairs had, therefore, appointed an Advisory Committee in February 1948, to study the implications of Western Union for the British Commonwealth and this Committee has now made its recommendations which have been put into shape in a book form by Prof. R.G. Hawtrey.<sup>2</sup> The objections to Western Union are summed up in the book as follows: 'The incompatibility of British political practices and habits with those of the Continent and the impossibility of reconciling the preservation of the Commonwealth with the merger of the sovereignty of the United Kingdom in a federation.'<sup>3</sup>

<sup>1</sup>*Foreign Affairs*—('France Gets to her Feet') April 1949 (Vol. 27 No. 3) p. 4022.

<sup>2</sup>*Western European Union*: R.G. Hawtrey (Royal Institute of International Affairs) London 1949.

<sup>3</sup>*Op. Cit.* p. 118.

And the Committee therefore concludes that there is no possibility of a formal federation of Western Europe being immediately established<sup>1</sup> and it is also of the opinion that 'formal federation will not necessarily supply the best safeguard against lapses into totalitarian terrorism within Western Europe.'<sup>2</sup>

Thus, although it was believed soon after the conclusion of the War, that Britain, owing to the loss of her Indian Empire, has become finally a European State, yet the complicated structure of the Commonwealth has made it once again difficult for her to identify herself completely with the countries on the Continent and it seems, therefore, that in spite of the examples of the Benelux countries, even a Customs Union of the major countries of Europe will not be feasible in the near future. It is true that France and Italy have recently signed a Customs Union Pact but no one in France thinks seriously that the Pact will be effective within anything like less than six years. It is still to be ratified by the Parliaments of both countries and judging from the results obtained by the Benelux countries themselves, one must not set high hopes on a Franco-Italian Customs Union. The example of the Benelux countries has been much cited all over the world, as an instance of fruitful co-operation among separate States but according to Fernand Baudhuin,<sup>3</sup> '*jusqu'ici, le Benelux n'est pas grand'chose*' and '*si vous passez la frontière belgo-hollandaise, vous êtes soumis exactement aux mêmes vexations que précédemment*'. He then further adds that the three things which hinder and regulate the trade of European countries with one another, namely, *interdictions de paiement, Contrôle des devises, des licences*, are to be found also among the Benelux countries, and in spite of all the publicity given to it, it is no wonder that the Brusselloises, jokingly, refer to Benelux as 'Spaakistan' or a fad of M. Spaak, the Belgian Prime Minister.

Thus, considering all the factors which have contributed to the present agitation for a European Union one cannot but come to the conclusion that the chances of such a Union are still very remote. The more progressive people and parties look upon the movement as solely directed against the Soviet Union and Mr. Churchill's association with it has made even the Social Democrats very sceptic about its ultimate success. In Europe, although every one knows that the strongest pillar of this movement should be a real Franco-German understanding, yet the fear and distrust of Germany is so great, both in France and other West European countries, that no attempt has been made to seek German co-operation in building up new Europe. The Germans on the other hand, have shown much eagerness to join such a Union in order to be taken into the European community again, but the fear that Germany is bound to dominate such a union in the end, still persists. That is why, although much discussion is going on in the European press and radio on the question of European Union, yet it is, one has to admit, much ahead of public opinion and there is no reason to believe that, even if a Western Union is somehow brought into being, it will have popular support.

<sup>1</sup> *Op. Cit.* p. 102.

<sup>2</sup> *Op. Cit.* p. 106.

<sup>3</sup> In an article in '*Politique Etrangère*' (Paris-Février 1949), called '*Le Benelux*', pp. 13-22.

## INDIA AND THE STERLING AREA

*By* C. G. RAMASUBBU

THE earliest origins of the Sterling Area are to be traced to the banking and monetary arrangements which came into existence in the course of the development of British overseas trade and investment in the early years of this century. The countries of this group traded mainly with Britain and their produce was marketed chiefly through British markets. As in the case of India, these were territories generally developed by British capital and provided with banking facilities by banks associated with the United Kingdom. This meant that their international accounts used to be settled mainly through sterling and if any lack of balance in international payments existed it led to borrowing in London, with the result that their external debts also came to be expressed largely in sterling. It came about thus that their exchange reserves were gradually built up in sterling and other foreign currencies, when necessary, were obtained by converting these balances.

This association, which was only implicit when the gold standard existed, found explicit recognition when the United Kingdom left the gold standard in September 1931 and the countries which chose to continue their link with sterling rather than with gold came to be known as the Sterling Bloc. The group consisted in the first instance of the members of the British Commonwealth of Nations (with the exception of the Union of South Africa which held on to the old gold parity for about an year before depreciating to the level of the pound and Canada) together with Portugal and Iraq; among the later adherents were the Scandinavian countries and Iran. Though the nature of political bonds, especially within the Commonwealth, greatly influenced them to peg their currencies to the pound and indeed was perhaps the decisive factor in the case of India, there were weighty economic considerations which led them to adopt sterling as a standard. The most important of these was their interest in having a stable exchange relationship with their main trading partner, the United Kingdom. The large share of Britain in their import trade made sterling balances useful to these countries as a liquid reserve, even if they fluctuated in value: there was, besides, the fact that they had substantial amounts of long-term debts to the United Kingdom payable in sterling. Another significant factor was the comparative stability of sterling prices and of the level at which the United Kingdom maintained its real national income and external purchases, particularly in comparison to the United States. That these countries devalued their currencies in step with the United Kingdom is also to be explained in terms of their own individual circumstances which seemed to call for depreciation. This course of action was also dictated by the fact that their exchange reserves were predominantly in sterling. Above all, the attraction of the membership of this bloc seems to have rested in the convertibility of sterling which, in turn, was made possible by the position occupied by London as an international clearing house and by the external payments position of the United Kingdom. Incidentally, the onus of financing the deficit of the Sterling Bloc with countries outside it was, in a sense, placed on the United Kingdom; this

burden was, however, lightened by her purchases of gold from within the Bloc as well as by the fact that the Bloc's purchases from countries outside it were discouraged as a result not only of the devaluation of their currencies but also of the system of Imperial Preference.

These several factors which lent strength to the sterling link were all of relevance to India whose trade relations and external debt were closely bound up with the United Kingdom. The immediate action taken by the Government of India following the United Kingdom's leaving the gold standard was to suspend its obligation to sell gold or sterling and to restrict such sales to the finance required for certain specific purposes only. As the Government wished to ensure the maintenance of the exchange value of the rupee in terms of sterling at the then prevailing rate of 1 sh. 6d., these restrictions were aimed at offsetting a heavy demand for sterling against rupee in the conditions of uncertainty then prevailing, and were abolished in 1932 when they were no longer found necessary.

Till the outbreak of the war in 1939, the Sterling Area remained an informal and voluntary association of nations with a common interest in the stability of sterling, which the Exchange Equalization Account of the United Kingdom helped to maintain by ironing out large fluctuations in the exchanges resulting from movements of hot money and speculative activity. Its boundaries received no formal definition and the two most general characteristics of its membership were the maintenance of a fixed relationship with the pound and the holding of exchange reserves largely (or wholly) in the form of liquid assets in London, though there were exceptions such as New Zealand which depreciated her currency in 1933 and, by a smaller degree, in 1938 and the Union of South Africa of whose exchange reserves a substantial share has always been held in gold. It was during the war that it developed into a more coherent organization with a precise and formal status. Under the new system of co-operative exchange control, the freedom of payments within this group of countries remained almost undisturbed, though this did not automatically mean that goods flowed freely among them because such movement was governed by elaborate war-time controls. Capital movements within the Sterling Area, however, continues to take place freely. While the pooling of their hard currency resources in the so-called Sterling Area Dollar Pool was only a regularization of similar, though somewhat nebulous, arrangements of the pre-war period, the really new factor in these relations was that the members generally agreed to limit to the minimum their expenditures in these currencies with a view to conserving the central reserves: the United Kingdom, in its turn, undertook to provide the finance necessary for all their essential imports. The reserves of the Sterling Area—which were held in the United Kingdom—were reimbursed by purchases of gold from within the Sterling Area, the hard currency earnings surrendered by the residence of the United Kingdom and the acquisition of dollars earned by other Sterling Area countries.

Exchange control was evolved in India during the war in close association with the United Kingdom. Transactions in foreign exchange were restricted

to banks duly authorized by the Reserve Bank of India which acted as the representative of the Government of India in this regard. The guiding principle of the controls which were introduced under the emergency powers derived from the financial provisions of the Defence of India Rules was that all transactions having international financial implications, were to be subject to restrictions; these included all dealings in foreign exchange, payments in rupees by residents to (or to accounts in India of) non-residents, exports of currency, cheques, drafts, traveller's cheques etc., exports of securities; and sales or transfers of securities between residents and non-residents.

The outstanding feature of India's experience as a member of the Sterling Area during the war was the accumulation of large sterling balances. From about Rs. 70 crores at the outbreak of the war the sterling holdings of the Reserve Bank of India had risen to about Rs. 1,668 crores at the end of 1945. This phenomenal rise was accounted for by three factors: the large war-time purchases of the United Kingdom which helped expand our favourable trade balance, the military expenditure of the United Kingdom in India which was financed by crediting our sterling account in London and, finally, accruals of sterling against hard currencies surrendered by India to the central reserves. This development has an important bearing on India's economic situation both in relation to the circumstances under which these accumulations took place, particularly, the large sacrifice in consumption in real terms which must have gone to build up these holdings and in relation to the potentialities which they hold, if used properly, for financing India's large developmental programmes.

Another prominent factor resulting from India's membership of the Sterling Area which attracted much notice was her contribution to the Sterling Area Pool of hard currencies, which was substantial. Between the outbreak of the war and 31 March 1946, India is estimated to have made a net contribution of Rs. 114 crores to this Pool. The relative freedom in payments within the Sterling Area coupled with the restriction of purchases in the dollar area (which made this contribution possible) was the feature in this organization which introduced an element of discrimination in international transactions and invited growing American suspicion.

With the end of the war the United Kingdom entered into payments agreements with a number of countries which mainly provided for the granting of limited reciprocal credits and, in an appreciable measure, helped resumption of trade and conservation of gold and hard currency resources. In all these agreements the United Kingdom acted on behalf of the Sterling Area. The most important changes in the financial arrangements of the war-time Sterling Area which now took place were in accordance with the terms of the Anglo-American Financial Agreement which provided the United Kingdom with a loan of \$3750 million aimed at helping her to stand on her feet by the end of the post-war transition. In return, it pledged the United Kingdom to make sterling fully and freely convertible and to administer quantitative import controls on a non-discriminatory basis. The United Kingdom was to undertake to fulfil obligations which the International Monetary Fund required its members to give effect to only about five years later. By 15 July 1947, which

was the date on which the provision in regard to convertibility was to become operative, the United Kingdom had completed arrangements with a number of countries to provide for the automatic convertibility of their current sterling earnings to dollars and for segregating sterling available for and arising from current transactions from other sterling funds held by them. The operation of these arrangements led to a drain on Britain's dollar reserves, which amounted to nearly \$1 billion during the seven weeks following 1 July 1947. Of this, about \$300 million was accounted for by the utilization of the convertibility facilities by countries which either managed to earn favourable balances in sterling or had obtained releases from previously accumulated balances. Apart from the failure of the United Kingdom to have a surplus in her accounts with these non-Sterling Area countries, which the crisis brought into broad relief, capital movements through South Africa to the dollar area are also understood to have helped to bring matters to a head. On 20 August 1947, the United Kingdom gave up the experiment in convertibility which was now restricted only to sterling accepted in payment to dollar countries. Though currently earned sterling was no longer automatically useful for financing transactions with the dollar area, the United Kingdom has continued to seek through bilateral agreements the gradual extension of the area over which sterling is freely acceptable for current transactions by means of the system of transferable accounts. The main feature underlying these arrangements was that transfers could be freely made from one transferable account to another, irrespective of the country of residence of the account holder. This mechanism has made it possible for multilateral payments to be effected between any country of the Sterling Area and about fifteen important countries outside it. That these facilities were used only in respect of payments for current transactions was ensured by restricting transferability to those accounts alone which the monetary authority of the country concerned undertook to supervise. At least in relation to current payments, an extensive monetary area was thus created within which freedom of international payments in sterling obtained. Administratively, these arrangements have made the exchange control procedure of the Sterling Area countries more flexible. The suspension of sterling convertibility, for instance, did not require any major changes in the technical organization beyond the withdrawal of the freedom of transfer from transferable accounts to Canadian and American accounts; nor will such changes be called for when the United Kingdom is in a position to re-introduce convertibility.

The Anglo-American Financial Agreement also contained provisions which laid down the manner in which the United Kingdom was to deal with the sterling balances accumulated during the war. The general principle was that balances were to be blocked by mutual agreement and only limited releases from the blocked balances, as agreed upon with the creditor countries, were to be made available for their current spending, together with their current earnings of sterling. In the case of India, an agreement was concluded in August 1947, for the period ending 31 December 1947, providing for a transfer of £65 million from the blocked No. 2 Account to the No. 1 Account



—£ 35 million as the initial release and £ 30 million as a working balance,—the balance in the latter account being currently expendable in any currency area. Although India continued to remain in the Sterling Area unlike Egypt which chose to leave it under somewhat similar circumstances in view of the need for regulating the expenditure of sterling in the No. 1 Account, restrictions were imposed on remittances to Sterling Area countries along lines similar to those already existing in respect of other countries. The agreement of August 1947 was extended in February 1948, upto the end of June 1948, with a provision for a further release of £18 million to the No. 1 Account for this period. Besides, in view of the changed situation resulting from the suspension of convertibility and the need for conserving the Sterling Area's hard currency reserves, India undertook to limit her expenditure in the hard currency areas (which were defined to include most of the American Continent, Belgian Monetary Area, Portuguese Monetary Area, Japan, the Philippines, the Bi-zone, Sweden and Switzerland) so as not to exceed her current receipts from these areas together with any dollars she might purchase from the International Monetary Fund by more than £10 million. This restriction marked a new stage in India's relationship with the Sterling Area which had so far allowed each of its members to draw according to its needs on the foreign exchange resources of the area. It is interesting to note in passing that no such formal limitations have been placed on the dollar expenditure of other members of the Sterling Area like Australia or New Zealand who, it is probably felt, can be depended upon to take appropriate measures, even in the absence of a definite understanding.

At the time of the further extension of the Agreement in July 1948, for a period of three years, a settlement was also arrived at with the United Kingdom in regard to the outstanding claims between the two Governments arising from the Defence Expenditure Plan and the taking over of military stores and installations by the Government of India from the Government of the United Kingdom on 1 April 1947. It was agreed that India should receive £55 million in final settlement of the Defence Expenditure Plan and that £100 million should be paid to the United Kingdom as the price of the Defence Stores etc. At the same time India also purchased, by paying a sum of £168 million, tapering annuities from the United Kingdom for meeting the payment of pensions which are payable by the Government of India and Provincial Governments in sterling. Subject to certain conditions, it was also agreed that a sum of £80 million was to be released during the three-year-period commencing from 1 July 1948, in addition to the unspent balance of £80 million in the No. 1 Account as on that date. In all, £160 million was thus to be made available in addition to India's current receipts in sterling for current expenditure in the sterling area during this three-year period. As in February 1948, an understanding was reached at the time of the present agreement to limit India's expenditure of hard currencies (which now excluded Swedish Kroner and Swiss Francs) to £15 million during the year ending 30 June 1949.

As a result of the current expenditure during the post-war period and the

capital transactions including transfers to the State Bank of Pakistan, the sterling holdings of the Reserve Bank of India declined from Rs. 1,668 crores at the end of 1945 to Rs. 877 crores by the middle of May 1949.

Apart from the new relationships which govern India's drawings on the central reserves of the Sterling Area and the restriction of the previously obtaining freedom in payments between India and the rest of the Sterling Area, there are other recent developments which are of significance in relation to her membership of the Sterling Area. From the time of the establishment of the Reserve Bank of India the link between the rupee and the pound sterling had found statutory expression in sections 40 and 41 of the Reserve Bank of India Act, 1934 which imposed on the Bank the obligations to buy sterling at a rate not higher than 1 sh. 6-3/16d. per rupee and to sell sterling at a rate not lower than 1 sh. 5-49/64d. India's membership of the International Monetary Fund and its assumption of the consequent obligations relating to the maintenance of its par value with other currencies required the amendment of the Reserve Bank of India Act in 1947 for the purpose of replacing the above-mentioned provisions by a general provision enabling the Bank to buy and sell foreign exchange at such rates and on such conditions as may be determined by the Government of India with due regard to the obligations resulting from India's membership of the Fund. The Reserve Bank's obligations to buy and sell sterling were, however, continued by notifications issued under the amended Act, the only change from the previous position consisting in the narrowing of the gap between buying and selling rates in conformity with the Fund's requirements in this regard. The Reserve Bank of India (Transfer to Public Ownership) Act, 1948 incorporated further amendments introduced in consonance with obligations resulting from the membership of the Fund. The Bank is now, as a result, authorized to deal in foreign exchange, to discount bills of exchange in foreign currencies and to hold foreign securities or currencies, of countries which are members of the Fund, and to count such holdings as part of the legal reserves in place of sterling.

These developments have not in any important respect altered India's position as a member of the Sterling Area though no doubt possibilities of more fundamental changes are latent in them. Political necessity has ceased to be a decisive factor in the making of her decisions on economic policy and it is no longer just academic to examine whether, on a balance of considerations, she stands to gain by the continuance of her membership of the Sterling Area.

At the outset it is necessary to recognize that India's traditional links with the sterling area have not lost any of their strength in recent years. It is true that her sterling debt has been reduced to a negligible amount by the repatriation of about £329 million of this debt during the decade ending March, 1948 and the scheme for the capitalization of pensions helps to reduce her annual liabilities in sterling still further. Nevertheless her interest in the fortunes of sterling remains substantial because her foreign exchange holdings are mostly in this currency and, besides, these assets are of immense significance to her in financing the external requirements of her programmes of economic develop-

ment. Further, the United Kingdom and the Sterling Area, as a whole, account for a large share of India's export and import trade.

	INDIA'S EXPORTS TO		INDIA'S IMPORTS FROM	
	<i>The United Kingdom</i>	<i>The whole of the Sterling Area</i>	<i>The United Kingdom</i>	<i>The whole of the Sterling Area</i>
	(expressed as percentage of total exports)		(as percentage of total imports)	
1938-39	34	52	31	58
1947-48	26	47	29	42
1948-49 (11 months)	23	41	29	44

Apart from the weight in terms of magnitude (to which these figures provide evidence) India's trade with the Sterling Area is also of importance in respect of its composition. The United Kingdom continues to remain her principal supplier of capital goods and the Sterling Area, as a whole, constitutes a group of countries with greatly diversified economic resources. It is also necessary to recognize the fact that British institutions continue to play a major rôle in the commerce and industry of the country, particularly in the financing of her external trade. They finance not only most of India's transactions with the rest of the Sterling Area but also a sizable share of the transactions with countries outside the Area. The steady expansion which has occurred over the last two years of the area over which sterling is acceptable for current payments has helped raise the importance of British banks and commercial houses in the financing of India's foreign transactions.

The willingness of countries to enter into close economic relationships with the United Kingdom has also much to do with the experience of the nineteen thirties when the fluctuations which affected the economy of the United Kingdom were less violent than those in the case of the United States.

	<i>Industrial Production</i>		<i>Quantum of imports</i>	
	United Kingdom	United States	United Kingdom	United States
1929	100	100	100	100
1930	92	83	97	88
1931	84	68	100	76
1932	83	53	88	62
1933	88	63	90	67

It is also significant that the United Kingdom is specifically committed to a policy of maintaining a high level of employment and similar objectives are also likely to govern policies in other Dominions like Australia and New Zealand. This will be a factor of great import, especially, if, despite all the international planning of the post-war period and the efforts of the United States authorities, American prosperity fails to be maintained at a high level and it becomes necessary for all the countries interested in keeping their em-

ployment levels high to take concerted action. In such conditions, multi-lateral stability will become dependent on some measure of regional planning which would combine the advantages of multilateralism with some degree of direct control. A regional arrangement like the Sterling Area would be of great help in meeting a situation of this kind.

The importance of the Sterling Area in world trade should also be recognized. In 1938 imports into the present Sterling Area (the United Kingdom, the British Dominions, excluding Canada and Newfoundland, the colonies, mandated territories and protectorates of the United Kingdom, Burma, Iraq and Iceland) including their trade with one another, were approximately one-third of estimated total world imports, and exports of the Sterling Area about one fourth of total world exports. The data for the post-war period—when they become available—are not likely to show a large reduction in these proportions. The Sterling Area has also remained the largest area of limited multilateralism in the post-war period. It is not certain that there would not have been a serious contraction of world trade in the absence of the transferable accounts mechanism which has greatly facilitated transactions within a large part of the world. In this connexion it is necessary to consider the charge which has often been made in American quarters that the Sterling Area arrangements have introduced a discriminatory element into world trade. True as it may be that payments to the dollar area are relatively less easy for the members of the sterling area to make than payments among themselves, this is hardly a fair charge to be brought up at the present time when, faced with a serious difficulty in balancing their dollar deficits, most countries of the world are operating extensive trade and exchange controls which are only seldom non-discriminatory. Not only is there no likelihood that the dissolution of the Sterling Area would necessarily add to the resources available to its members for expenditure in the United States: it may even intensify their difficulties by making it necessary for them to buy from the United States certain goods which they might have bought earlier from other members of the Sterling Area. Little is therefore likely to be gained on this account by destroying the network of payments arrangements which has been built up by the United Kingdom with elaborate skill during the recent years and which has greatly aided recovery of world trade. That the United States authorities have themselves begun to appreciate the significance of this régime of limited multilateralism as a step towards the ultimate restoration of full multilateralism is reflected in the fact that they have agreed to admit the Sterling Area as a member of the Intra-European Payments Scheme and to reimburse it with dollars to the extent of its net surplus with the other O.E.E.C. countries.

On the other hand, it should be easy to recognize that the restoration of the multilateral convertibility of sterling, which is the repeatedly declared long-term objective of the United Kingdom, depends on the return of London to its pre-war importance as an international banking centre. Even in the inter-war period, the position had begun to deteriorate in this regard and Britain was forced to become a heavy short-term borrower to be able to continue her

long-term lending operations. With the worsening in the position of her international accounts which has occurred during the war as a result, among other factors, of a large decline in her foreign investments accompanied by a steep rise in her sterling and non-sterling indebtedness, it will be a long time before the pre-war status of the sterling can be re-established. Though there has been some improvement in the balance of payments position of the United Kingdom in 1948, it would be unduly optimistic to base on it any hopes of an early return to sterling convertibility.

This has an important implication for those countries which choose to continue in the Sterling Area. Before the war, with a bill on London serving the purpose of an international currency, the need was to keep their overall balance of payments position in equilibrium rather than to balance their accounts with any particular area. Now, on the other hand, with their surpluses with the rest of the Sterling Area no longer useful for financing deficits with other areas, it is necessary for them to develop their exports to areas which are not prepared to accept payment in transferable sterling. The progress made by the countries of the Sterling Area in achieving a better balance in their accounts with these other countries is indicated by the fact that the drain on the U.K.'s gold and dollar reserves which was attributable to the rest of the Sterling Area was reduced from £279 million in 1947 to £45 million in 1948. It remains to be seen whether the United Kingdom, on the other hand, will permit liberal drawings on the central reserves by these countries, particularly those like India, in consideration of the fact that they surrendered to London all their dollar earnings before and during the war and in recognition of the vast financial needs of their programmes for raising their standard of living.

This new situation calls for far-reaching readjustments. Before the war, the countries of Western Europe settled their deficits with the United States mainly by using their surpluses with their dependent or allied territories which in turn, had customary surpluses with the United States. In the changed context of international relations, there will be a justifiable reluctance on the part of the dollar-earning territories to surrender these earnings to the reserves in the metropolitan centres and an eagerness to use these funds for purposes of their own economic development. Though the United Nations Economic Commission for Europe has taken a cautious note of the altered circumstances which reduce the possibility of a solution of the European dollar problem in terms of a favourable balance with the non-European countries, and has indeed sought to impress on the countries of Western Europe the need to bring about structural readjustments it called for, readiness to face these realities has not been very much in evidence in these countries.

In the case of the United Kingdom, the problem is vastly complicated by the accumulated indebtedness to other countries of the Sterling Area. She has, therefore, to reconcile herself to having an export surplus with India in contrast with the trade deficit before the war. Not only will she have to realize the strength of the resistance that is likely to face attempts at restoring the triangular adjustment of her foreign account which characterized the years before the war; she will also have to revise the scales of preference governing

the needs of other member of the sterling area for inconvertible currencies, so as to take account of their demand for capital goods and other requirements for re-equipping and developing their industries. Moreover, in view of the possibility that a pattern of currency arrangements can determine (though it is itself often determined by) the pattern of trade relations within a regional group, it also needs to be watched if the present sterling area arrangements will be used, in one way or another, to stabilize the *status quo* in the pattern of India's foreign trade relations which may be out of tune with her long term needs. There is, for instance, reason to believe that efforts of countries of the Sterling Area other than the United Kingdom to develop their commercial relations with countries outside the Area may not be looked upon with favour.

In the ultimate analysis, the crux of the problem seems to turn on the extent to which adjustments in answer to the vast changes which have occurred during the war are forthcoming. There is no eagerness on the part of India or perhaps any other member of the Sterling Area to tear herself away from an association which has been of great significance to their economies, especially as the traditional bonds which have held them together are today no weaker than—though very much different from—what they were before. But their willingness to continue this partnership will depend to an increasing degree on the successful evolution of a policy of mutual help on the basis of enlightened self-interest. On the one hand, India and other undeveloped countries must be aided in the process of industrialization: on the other, the countries like the United Kingdom can have assurance of stable and growing markets for their industrial products and supplies of goods which they would otherwise have to pay for in hard currencies. This would mean that the urge of the economically backward countries to industrialize themselves should no longer be viewed as the political catchword of impatient nationalists but as an economic necessity which will greatly contribute to the maintenance of a high level of employment in the rest of the world. The Sterling Area has shown itself capable of a great degree of adaptation to changing circumstances and needs: and this quality of flexibility, so characteristic of many British institutions, should help make it an ideal instrument for working out in practice a scheme of regional co-operation based on the twin principles of full employment and economic development.

## DEVELOPMENTS IN INDONESIA

### From the Renville Agreement to the Resumption of Military Action

By GADYS RASID

As a result of almost half a year's negotiations between the Netherlands and the Republic of Indonesia, under the auspices of the Security Council's Committee of Good Offices on the Indonesian question, consisting of an American delegate, Prof. Frank P. Graham, an Australian delegate, Judge

Kirby and a Belgian delegate, Mr. Paul Van Zeeland, a truce agreement was signed on 17 January 1948 on board the U. S. *Renville*.

To this truce agreement were attached twelve political principles and six additional principles were included by the C. G. O., which were signed by both parties two days afterwards, on 19 January 1948.

The appointment of the C. G. O. was the result of a Security Council decision of 26 August 1947, in order to implement the Council's 'cease fire' order of 1 August 1947 and to bring about the settlement of the Netherlands-Indonesian conflict, which had drawn international attention after the Dutch military attack on 21 July 1947.

Its members were chosen—one by the Netherlands government, one by the Indonesian Republic and the third by these two members. Their function was restricted to 'good offices'; they had no power to arbitrate or intercede.

Negotiations under their auspices between the Republican delegation headed by Dr. Amir Sjarifuddin and the Netherlands delegation headed by Mr. Abdulkadir Widjoatmodjo, dragged on for six months, mainly because of difficulty in settling whether a 'truce agreement' or an overall 'political agreement' was the more immediate necessity.

The Renville Agreement was the result of the so-called 'Christmas proposals' forwarded by the C. G. O. on 25 December 1947, amended by the Netherlands delegation, with further amendments to this from the Republican side. It was a truce agreement which provided for subsequent negotiations towards a political settlement.

The most important part of the truce agreement was the chapter about the withdrawal within 14 days of all Republican forces behind a stipulated demarcation-line, thus reducing the Republic considerably in area in both Java and Sumatra. During the military action in July 1947, the Netherlands forces had advanced to certain points within the Republic. The areas between these points were still in the hands of Republican troops. The Dutch had affirmed that these areas were also under their control. The Renville Agreement conceded this and the Republic agreed to the withdrawal of its troops from there.

The Renville Agreement however stipulated that the final decision regarding the disputed areas was to be made by the inhabitants thereof by a plebiscite or other means of determining the people's wish.

The political chapter of the agreement had its most important point, the recognition of Netherlands sovereignty over the whole of Indonesia until the formation of the United States of Indonesia, which was to enter into an agreement with the Netherlands Kingdom in order to create a Netherlands-Indonesian Union according to article 3 and 4 of the Linggadjati Agreement.

The article by which the Netherlands sovereignty was accepted by the Indonesian Republic was later the cause of great trouble and may be regarded as the main source of difficulties during the political negotiations that followed.

On 13 January, at a meeting between the C. G. O. and the Republican dele-

gation in Kaliurang (near the Republican capital of Jogjakarta) the problem of the acceptance of Netherlands sovereignty by the Indonesian Republic was discussed over and over again. During these discussions some members of the C. G. O. seemed to have declared that 'the signing of the Renville Agreement does not change in any sense the status of both parties, especially in connexion with the Security Council.'

This declaration was also expressed by Judge Kirby, Australian member of the C. G. O. in a speech on the occasion of the signing of the Renville Agreement on board the *Renville* and it was strengthened by Prof. Graham's famous words: 'You are what you are', spoken in Kaliurang on 20 January, when the Republican officials asked for further clarification.

Strangely enough, the minutes of this last meeting in Kaliurang between the Netherlands delegation and the C. G. O. did not reach the Netherlands delegation before the signing of the Renville Agreement. Thus at the session of the Netherlands Parliament, the Netherlands Minister for Overseas Territories stated: 'Declarations of members of the C. G. O. regarding the status of the Republic are wholly the responsibility of these members.'

This fundamental difference in interpretation started all the later difficulties which frustrated all efforts at a political settlement.

#### REPUBLICAN, INTERNAL AFFAIRS

On 12 February 1948 the Committee of Good Offices was able to cable their first success in the implementation of the Renville Agreement to Lake Success. The evacuation of Republican armed forces from the 'pockets' in Dutch occupied territories in Java and Sumatra had taken place without any incident, within the period stipulated in the truce-agreement. Over 35,000 men were evacuated from these 'pockets' (the greatest part, 24,000 soldiers, from West Java) into Republican territory. Soon after them followed their families and many released prisoners. Together with the people already evacuated from Dutch occupied territories before and after the Dutch 'police action', this flow of thousands of persons into the already over-populated areas of Central Java—a territory which had always been a deficit territory—created a heavy strain on the economic resources of the Republic.

Next to this, the internal political struggle began to worsen the situation. Immediately after the signing of the Renville Agreement, the *Masjumi* (Moslem Party) and the *Partai Nasionalis Indonesia* (Nationalist Party) expressed their lack of confidence in Premier, Amir Sjarifuddin, and announced their withdrawal from Premier Amir Sjarifuddin's coalition cabinet. Dr. Amir Sjarifuddin was forced to resign and a presidential cabinet was formed on 2 February with Vice-president, Dr. Mohamad Hatta as Prime Minister and ad-interim Minister of Defence. The other seats were filled by the *Masjumi*, the Nationalist Party and two members of the left-wing party. Mr. Supeno (who became the Minister of Youth Affairs and Reconstruction) and Kusnan who became the Minister of Labour, joined the cabinet in their individual capacities. Dr. Amir Sjarifuddin's left wing did not accept seats in the cabinet.



The participation of Supeno and Kusnan in the cabinet resulted in a formal breach in the Socialist party—one of the parties of the left wing in the Republic—which had been responsible for the Linggadjati Agreement. This split already existed in reality since Sjahrir's resignation as Prime Minister before the Dutch 'police action' of July 1947.

The former left wing, minus the section of the Socialist Party under Sjahrir—known as the *Partai Sosialis Indonesia* (Indonesian Socialist Party)—was reconstituted under the name of the *Front Demokrasi Rakjat* or F.D.R. (Democratic People's Front) and started an opposition campaign against Dr. Hatta, which grew stronger and stronger as negotiations with the Dutch deteriorated and internal economic and social situation grew worse and worse.

The programme of Dr. Hatta's cabinet included among others:

1. Implementation of the Renville Agreement, i.e. the forming of the United States of Indonesia.
2. Rationalization of the armed forces.
3. Internal reconstruction.
4. Stabilization of the government.

Great hopes were placed on the person of Dr. Hatta as the leader of the Indonesian government at that time. Hatta is known to be a man of great integrity, a stubborn fighter, who goes his way, unswayed by any opposition, if he thinks his way is the right one. His actions are based on careful thinking and analysis, and once he has fixed a goal he rarely allows himself to be side-tracked.

So his first step in the effort to implement the Renville Agreement and the forming of the United States of Indonesia, was the declaration that the republicans should be allowed to take part in Dutch-sponsored elections and political formations. He also declared a mass amnesty to all republican officials who had entered Dutch service.

The purpose of these declarations was to include all the nationalist-minded Indonesians in the Republican efforts towards the creation of a real federal government of Indonesia. By allowing republicans to take part in Dutch sponsored elections and political formations he aimed at preventing these Dutch-sponsored units from becoming mere 'puppets'.

This attitude met with great resistance and created dissatisfaction among all those who still visualized the Indonesian struggle for independence strictly along the lines of the Republic.

His second step, which also met with great disapproval was his agreeing to have personal meeting with the Netherlands Lieutenant Governor-General, Dr. H. J. van Mook, and later on with the Netherlands Foreign Minister Dr. D. U. Stikker and the Netherlands Minister for Overseas Territories Dr. E. J. M. A. Sassen.

These meetings were always held at times when a deadlock in the negotiations under the sponsorship of the C. G. O. seemed certain. By direct talks 'on highest level' Dr. Hatta tried to overcome certain difficulties

which arose during the intricate negotiations between the various committees and sub-committees of both delegations with the C. G. O.

Although these meetings were advertised as being informal, personal and not binding, still suspicions were general and disapproval became more insistent.

Similarly the second point of his programme namely, the rationalization of the army, could not but create dissatisfaction among large sections of people. This work was linked up with the next point of his programme: reconstruction. It was scheduled that large numbers of demobilized soldiers, specially those who came from the 'pockets' would return to civilian life, and be given a place in the overall reconstruction programme which among other items included a mass migration to the thinly populated but the rich island of Sumatra. Others among those coming from the 'pockets' were to be allowed to return to their villages in already Dutch occupied territories in West and East Java.

This programme of reconstruction was in the hands of Mr. Supeno, Minister of Youth Affairs and Reconstruction and in spite of all the propaganda, was not very successful, mainly due to extraneous circumstances over which the Republican government had no control.

The rationalization of the armed forces too met with strong resistance, because of the psychological factor of sending back people who were used to army and guerilla life to artisan life, and because of agitation of the *Front Demokrasi Rakyat*.

But the most important cause of the deterioration of the situation in the Republic was the Netherlands blockade.

A Committee of Good Offices Report to the Security Council among others stated that the Dutch had used its armed forces to enforce an economic blockade. Restriction of trade with the aid of the Netherlands Navy gave an opportunity to Dutch officials to have full authority over Republican trade with the outside world. All goods coming in or going out of the Republic had to have a Dutch licence, and had to be inspected at stipulated places. All trade had to be based on a barter system. All foreign exchange earned as a result of Republican export came under the supervision of the Dutch.

The result of all this was that the Republic which had already been bereft of its most resourceful areas after the 'police action' and suffered from lack of goods since the outbreak of the Pacific war, did not get the occasion to start importing goods necessary for its reconstruction programme, like tools, machinery, medicines, textile and transport vehicles.

Negotiations between the Economic and Social Committees of both delegations under the auspices of the C. G. O. always came to deadlock. Efforts to establish trade regulations over the Status Quo Line failed, or when they succeeded they failed in practice, because of insubordination of military authorities on both sides of the demarcation line. The Republican harbours in Sumatra which made trade possible with Malaya were subjected to Dutch control and were sometimes closed by the Dutch Navy.

The Republic, however, sought to lighten the economic difficulties by

means of direct trade with the outside world. On 3 April 1948 an agreement was announced between an American, Matthew Fox and the Republic, whereby his company was to have the opportunity to buy goods from the Republic to an amount of 100,000,000 dollars. This agreement was the result of the activities of the Republican Trade Commissioner in the U.S.A., Dr. Sumitro Djojohadikusumo, and aroused violent protests from the Dutch side, who considered it as an infringement of the truce agreement, and also from Indonesian merchants, who considered it as an effort on the part of Matthew Fox to have a monopolistic control of Republican future of the trade.

Trade by air however increased, with Singapore, Bangkok, and Manila. Some foreign pilots were employed in this service. The mysterious disappearance of the Republican Dakota plane, piloted by Cobley was the result of Dutch efforts to bring an end to the trade.

#### NETHERLANDS POLITICAL ACTIVITIES

The main source of difficulties in negotiations on the Indonesian conflict was in reality the difference of opinion between the Republic and the Netherlands government about the nature of the problem. For the Dutch, this question was a purely internal quarrel within the Netherlands Kingdom with a part of the Indonesian population, who were not able to accept the Netherlands point of view and conception of the formation of a free and sovereign U. S. I. within the Netherlands-Indonesian Union. This group of Indonesian intelligentsia, who formed the Republican government were, according to the Dutch, always living in fear of armed gangs who posed as the so-called Indonesian National Army, and were a hindrance in the way of constructive cooperation with the Dutch.

This line of thinking was especially favoured by the Netherlands Lt. Governor-General Dr. van Mook, in spite of all the evidence to the contrary. He however, got his way first at the Malino conference on the island of Celebes, which was followed by the Den Pasar conference in Bali at the end of 1946. At these two conferences, where selected delegates of the population outside Java and Sumatra were gathered, Dr. van Mook secured the consent of these delegates to cooperate with the Netherlands in the formation of the United States of Indonesia.

The state of East Indonesia, Negara Indonesia, Timur, was born in Deu Pasar at the end of December 1946. The efforts to include also the island of Borneo in this structure did not however succeed.

Soon after this followed the formation of so-called peoples' councils on the islands of Bangka, Biliton and Riouw—rich tin mining territories which according to the Linggadjati Agreement were to belong to the Republic.

After the occupation of the rich territory of West Java—a source of rice, tea, rubber and other important products—Dr. van Mook continued his policy by calling the West Java conferences, the first being held in August 1947, the second in December 1947, and the last one which resulted in the formation of the Negara Pasundan in February-March 1948—after the signing of the

Renville Agreement. A Republican protest to the C. G. O. against this infringement was not conveyed by the C. G. O., to the Security Council; so the Republican delegate at Lake Success took this matter up personally on 16 March.

This third West Java Conference had a rather dramatic course. A section of the delegates were chosen according to a method of indirect elections arranged by the Dutch themselves. As a result of Dr. Hatta's proclamation on 2 February, which allow the Republicans to take part in these elections, almost half of the delegates were of Republican sympathies, and they tried hard to prevent the formation of this new Negara.

They based their argument on the fact that the Renville Agreement stipulated a 'plebiscite' as a means to decide the status of the disputed areas, whereas the Netherlands argued that 'other means of stating the people's wish' included the West Java conference.

At the moment when the possibility of a failure of the West Java conference seemed to be very great, a timely cable from Dr. van Mook, expressing his approval of the formation of a West Java state, crushed all the Republican opposition and the new 'Negara' was formed.

The Republican-minded delegates succeeded in passing some resolutions, among others, to the effect that the Renville Agreement was to be accepted as a political basis for the Negara Pasundan, that R. A. A. Wiranatakusuma, a member of the Republican Supreme Advisory Council was to be elected as the head of the State, as 'Wali Negara', thus defeating a Dutch-favoured candidate.

Not long after the signing of the Renville Agreement, on 17 January, the Dutch held a 'plebiscite' on the island of Madura, which they had occupied after the Security Council's 'cease fire' order. The plebiscite resulted in the formation of a 'Negara Madura' with R.A.A. Tjakraningrat as Wali Negara. This plebiscite was held without much publicity and with no supervision of any kind.

An effort to form an East Java state had thus failed, but the Dutch government continued its efforts.

With the failure of the Dutch tactics, the 'federalists' came to the fore. The difference between these 'federalists' and the republicans was always stressed by the Dutch while defending their actions in Indonesia.

Federalist parties were formed before and after Renville, a 'federal council' was instituted, and on 9 March 1948 a 'provisional federal government' was inaugurated. It was first announced as an 'interim government' but the name was quickly changed because of differences of opinion between the Netherlands government in The Hague and the authority at Batavia most probably due to international pressure.

In this connexion a consideration of the personality of Dr. van Mook cannot be avoided. He dominated the Indonesian problem. He had his own opinions of how to settle the Indonesian problem in a satisfactory way, without much damage to the Netherlands interests, and he did not much care for the Netherlands government's view. Often the Home government

tried to check and supervise its representative in Batavia, but not to much effect.

The Commission-General sent by the Netherlands cabinet to negotiate with Lord Killearn ceased to be of any power or influence after the signing of the Linggadjati Agreement. Several times the members of the Netherlands cabinet and the parliament came to visit Indonesia. On 7 March 1948 the Netherlands Government appointed a 'Crown Commissioner' Mr. L. Neher and Jhr. Van Vredenburg to keep an eye on van Mook's doings. Van Vredenburg became the vice-chairman of the Netherlands delegation and Mr. Neher played an important rôle in the Bandung Federal Conference, at the end of May 1948. But they had also to go away, and Dr. van Mook could continue his own policy till the end of October 1948, when he was called back to Holland and replaced by the 'High Representative of the Crown in Indonesia', Dr. L. Beel.

The crowning piece of van Mook's work was the assembling of the Bandung Federal Conference on 27 May 1948 where various delegates of Dutch-sponsored *Negaras* (states) and other administrative units gathered to discuss problems connected with the forming of the United States of Indonesia and the Netherlands-Indonesian Union. There were delegates from East Indonesia, Pasundan, Madura, Bangka, Riouw, Biliton, West Borneo, East Borneo, South Borneo and South East Borneo, among whom were many Republican-minded people also.

The main purpose was the setting up of an interim government with the participation of the Republic if possible, if not, without it.

Before the calling together of these federalists, the ratification of the amendment to the Constitution was accepted by the parliament in Holland regarding the reorganization of the Netherlands Kingdom. This constitutional amendment was intended as an act of goodwill towards Indonesian nationalists. Within the structure of this amendment the transfer of powers to the United States of Indonesia was possible according to the Netherlands opinion.

#### C. G. O. ACTIVITIES

During the period when all these were happening, the Committee of Good Offices on Indonesia continued its efforts. But the only success it could report to the Security Council ever since its arrival in Indonesia was the signing of the truce agreement on board the U. S. *Renville* and the complete implementation of the truce agreement regarding the evacuation of 35,000 Republican soldiers behind the stipulated Status Quo Line.

But in all other matters, especially in their efforts to reach a political settlement between the Republic and the Netherlands it absolutely failed, proving the ineffectiveness of an international body, with no further authority than that of good offices.

According to the January agreement, negotiations were to be held alternatively in Republican and Dutch territories but it was only on 12 April, that the first train of the delegation left Batavia for the Republican territory (Kaliurang). At this first meeting, working formulas were prepared by both

sides, concerning the formation of the United States of Indonesia and the Netherlands Indonesian Union. One step was thus taken in the direction of 'bringing the parties together'.

But the differences between both sides always came back to the main source, namely the acceptance of Netherlands sovereignty over the whole of Indonesia, until the formation of the U. S. I. Such acceptance of sovereignty according to the Dutch should inevitably lead to the disbanding of the Indonesian National Army and the ending of Republican foreign relations.

Another point of difficulty was the problem of the plebiscite. Read in connexion with the other articles of the Renville Agreement, the clause regarding the plebiscite had been understood to refer to the former Republican areas that had been taken over by the Dutch during and after the military action, and from where according to the truce agreement, Republican troops had been withdrawn. But as the article itself did not stipulate exactly where (... 'various territories Java and Sumatra') the plebiscite was to be held, the Dutch forwarded the opinion that there should also be a plebiscite within the Republic.

The time of the plebiscite was also a matter of contention. The Renville Agreement stated that the plebiscite would be held 'within a period of not less than six months or more than one year from the signing of this agreement', but it did not clarify which agreement, the truce agreement or the political agreement.

As to the question of sovereignty, the Republic still held to the Kaliurang clarifications and to Prof. Graham's statement. Still in connexion with the problem of foreign relations, the Republic promised not to expand their missions abroad nor to open new ones.

But on the day the delegation-train was starting to Kaliurang again on 24 May 1948, news came from Netherlands sources announcing the establishment of diplomatic relations between Soviet Russia and the Republic. This agreement was the result of the activities of Mr. Suripno, Republican representative in Czechoslovakia, appointed during Dr. Amir Sjarifuddin's régime. Clouds were darkening again and on 1 June, Netherlands Crown Commissioner L. Neher together with Jhr. van Vredenburg flew to Jogjakarta to present a Netherlands *aide-de-memoire*, demanding the Republican acceptance of Netherlands sovereignty unconditionally.

In the meantime unrest had flared up in the new Dutch territories. Railway tracks were pulled up and four bridges were blown up, attacks took place in the plantations and estates; and in spite of the formation of estate-guards employed by the planters, such attacks continued.

Even in the far-off island of Biak, near Nieuw Guinea an insurrection took place, which was quickly put down, but did not fail to attract attention.

According to Netherlands sources, these troubles were created by the Republic and were thus infringements of the cease-fire agreement. The Dutch alleged that the Republic allowed—or perhaps ordered—large-scale infiltrations of 'armed people from Republican territory into Netherlands occupied territory with the special purpose of causing unrest. Documents

were published alleged to be orders from certain Republican military commanders to their troops to infiltrate into Dutch territory and make trouble.

The Republic declared that the growing unrest was nothing more than the materialization of the feelings of the people against Dutch oppression.

And so a war psychology was gradually created, showing that the situation became more and more unbearable and that something would have to be done.

In an interview with the United Press Correspondent, the Republican Prime Minister Dr. Hatta said that the Republic was eager for peaceful settlement but that it was also prepared to keep up a guerilla warfare for years, if it was forced to do so.

The Republican answer to the Netherlands *aide-de-memoire* which was handed over by Neher and van Vredenburg bypassing the C. G. O., although not sufficiently satisfactory to the Dutch, seemed to have put off the danger of military actions. Perhaps other forces had worked too.

#### OVERALL PROPOSALS

On 10 June 1948, a plan was handed over by the Australian and United States members of the C. G. O. to the Lt. Governor-General Dr. van Mook and to the Prime Minister of the Republic of Indonesia. This was forwarded informally in the hope that it might prove useful as a working basis for future negotiations.

This plan commonly known as the Critchley-Dubois overall proposals, offered an outline of the steps to be taken towards the creation of a sovereign United States of Indonesia, and suggested:

1. the formation of a joint commission with the task of delineating provisionally future states of the United States of Indonesia and for preparing elections for a Constituent Assembly;
2. the signing of a political agreement including the text of the Statute of the Netherlands-Indonesian Union;
3. the holding of elections to the Constituent Assembly throughout Indonesia as soon as practicable, after the signing of the political agreement;
4. the functioning of the Constituent Assembly as the provisional parliament with the approved form of a provisional federal government;
5. the transfer to this provisional government simultaneously of full powers of internal self-government by the Netherlands with the provision that the Lt. Governor-General may exercise certain rights within specific limits, and of all powers now exercised by the Republic of Indonesia properly pertaining to the Federal Government;
6. the drafting and ratification by the Constituent Assembly of a constitution of the U. S. I;
7. the ratification by the Constituent Assembly of the Statute of the Union and simultaneously:
  - a. the U. S. I. to be considered formed and to receive sovereignty from the kingdom of the Netherlands and

- b. the kingdom of the Netherlands having ratified the Statute of the Union, the Netherlands-Indonesian Union to come into being.

A few minutes before the meeting of both the delegations with the C. G. O. scheduled on 16 June, the Netherlands delegation informed the Committee that the Netherlands delegation thought it advisable to discontinue for the time being any discussions between the parties, ending the receipt of further instructions from the Netherlands government. The reason given for this abrupt action was that the overall proposals had been allowed to leak out to the foreign Press.

After the receipt of an authorization from the Netherlands government to the Netherlands delegation to proceed with the discussions, a meeting was held on 23 June, when the Australian-United States overall proposals were placed on the agenda. The Netherlands delegation maintained its objection to discussing the proposals and refused their inclusion on the agenda.

Soon after this, Mr. Court du Bois, the American representative on the C. G. O., went back to the United States on grounds of ill-health, and was replaced by Mr. Merle Cochran.

The C. G. O. went for their usual stay in the Republican territory, Mr. Cochran included, where they were received by President Sukarno.

On 23 July, the Republican delegation officially announced that because of the Netherlands delegations' refusal to discuss the Australian-United States overall proposals, it did not consider that the return of the Republican delegation to Batavia would serve any useful purpose. Only those members whose work related to the implementation of the truce agreement would return.

On 10 September the new United States representative in the C. G. O., Mr. Merle Cochran, presented simultaneously and confidentially to the Netherlands and Republican delegations a 'Draft Agreement for Overall Political Settlement' which became known as the Cochran plan. But it was presented formally to the C. G. O. only on 10 November as a memorandum for the series of conferences for consideration of both parties. The Republican delegation accepted it as a basis for resumption of political discussions, with the proviso that the Republican government reserved its right to take any position in the course of the discussion on these proposals which it might find necessary.

For, between the months of June and November many things had happened in Indonesia, in and outside the Republic.

On the eve of 17 August, the Indonesian Independence Day, Netherlands East Indies police opened fire on a gathering of students and youths in the compound of the official residence of the Republican delegation in Batavia. The Dutch authorities took possession of the building and the official records and files of the Republican delegation in Batavia. On 23 August the Republican general hospital in Batavia was taken over by the Netherlands Indies authorities and on August 25, the Netherlands delegation informed



the C. G. O. that the 'provisional federal government' had requested the Republican government to order persons in its service who had taken up residence in Batavia, to leave Netherlands-controlled territory.

That was the reason why the Republican delegation in its letter accepting the Cochran proposals as a basis for political discussions, had insisted that regarding the question of resumption of negotiations, the Republican government maintained its position with regard to the following questions:

- a. return to the Republican government of its premises at 56 Pengan-gsaan East in Batavia,
- b. immunity of members and personnel of the Republican delegation when in Netherlands-controlled territory, and
- c. cancellation of the Netherlands Indies authorities order asking for the removal from Batavia of Republican officials and their families.

As no satisfactory solution came with regard to these questions, no real formal negotiations between both the parties under the auspices of the C. G. O., ever took place, based on the Cochran plan.

#### FEDERALISTS' PLAN

The Federal Conference held in Bandung on 27 May 1948 did not seem to come up to the expectations of Dr. van Mook, whose political strategy consisted in a complete alignment of the 'federalists' against the Republic. The formation of an interim government was the immediate objective of this strategy.

Two members of the Federal Conference, namely, representing the largest area of federal territory, East Indonesia's Prime Minister Anak Agung Gde Agung and Pasundan's Prime Minister Mr. Adil Puradiredja took the initiative in calling together a smaller body, where a plan would be discussed which it was hoped would have the effect of smoothing out all differences. The acceleration of the transfer of powers was the principal aim.

This body, called the *Bijzonder Federal Overleg* (B.F.O.) or the Meeting for Federal Consultation adopted a resolution on 27 July which *inter alia* stated:

1. During the interim period the following organs shall exist:
  - a. the Government, consisting of a Directorate
  - b. Heads of Departments, called Secretaries of State
  - c. A Federal Council
  - d. A representative body.
2. The Directorate shall consist of Indonesians, the number of which are to be at least three. The members of the Directorate are to be appointed by the joint representatives of the governments of the member states. The appointment is to be confirmed by the Crown.
3. The Secretaries of State shall be appointed and dismissed by the Directorate to whom they are responsible.

4. The Federal Council shall consist of the head of the governments or heads of the administration of the member states.
5. The delegation for the representative body shall be arranged by the member states themselves, taking into consideration the fact that the appointment of the delegates has to take place as much as possible along democratic lines.

The initiative for this came from the Prime Minister Anak Agung Gde Agung of East Indonesia and the Prime Minister Adil Puradiredja of Pasundan. Remarkably enough, of all the states formed by the Dutch, only East Indonesia and Pasundan have the parliamentary systems of government.

As good moderate nationalists they tried to utilize the opportunity of their position in the federal structure. At the same time, since they had a good name among the Republicans, they tried in their own way to bring the Dutch and the Republicans together for a compromise.

Their first aim was to eliminate Dr. van Mook, who was always regarded as too strong a personality for the smooth working of any compromise. Hence their proposal of a Directorate. Interestingly enough, reactionary forces were also working in Indonesia and around the Bandung conference, to remove van Mook.

The basis of this plan did not meet with any serious opposition from the Dutch side in Indonesia.

In the meanwhile in Holland itself, the parliament had been dissolved and new elections were held. These elections indicated a turn to the right in Dutch politics, but still the Labour and Catholic parties won the largest number of seats. A coalition government was formed which tried to work out a compromise between the moderate leftists and the moderate rightists. Thus the Labourites got the chance of implementing their domestic socialist programme, whereas the policy towards Indonesia and general foreign policy came into the hands of the conservatives.

In the international field also, chances for Holland proved to be good. Of a 33 million dollar ECA loan, 16½ million dollars were allotted for the reconstruction of Indonesia. The Netherlands Army Staff announced that the 'state of war' in Indonesia would last till the end of 1952.

Such was the situation in Holland when a delegation consisting of members from the Federal Conference and the Meeting for Federal Consultation (B.F.O.) went to Holland to present their views regarding the formation of the U.S.I. based on the decisions of their discussions.

On 26 October, the Netherlands parliament accepted the 'Emergency Act on Indonesia', based on the amendment of the Netherlands Constitution, with consideration given to the views presented by the Federalists. The contents of this Act fell far short of the federalists' demands as represented in their resolution of 27 July. The East Indonesian cabinet decided not to regard this act as binding, the Pasundan government also recorded its disagreement with the Emergency Act.

According to this Emergency Act, the interim government was to have no

real authority whatsoever, and most of the power would remain in the hands of the High Representative of the Crown.

Dr. H. J. van Mook, the Lieut Governor-General was however recalled to Holland and replaced by Dr. Louis Beel as 'High Representative of the Crown'.

#### COMMUNISM IN THE REPUBLIC

The Republican representative in Czechoslovakia, appointed by Dr. Amir Sjarifuddin's cabinet, Mr. Suripno, who was responsible for initiating diplomatic negotiations between Soviet Russia and the Indonesian Republic, was called back by the government for consultation. He brought with him his secretary Suparto, who on reaching the Republic, turned out to be Muso the Indonesian Communist leader of pre-war days, and who was expelled by the Netherlands Government after the Communist revolt in 1926.

At the time of the deterioration in political negotiations between the Netherlands and the Republic, the internal situation in the Republic also began to worsen. Left Front agitation grew more and more violent. Propaganda trips were made by Dr. Amir Sjarifuddin, Setiadjit and other leftist leaders, who held many meetings, where they opposed vehemently the government's policy. The Critchley-Dubois overall proposals, the proposals for economic agreement with the Dutch, such as a sugar barter, the releasing of electric current to Dutch occupied territories—everything was opposed.

A strike of 15,500 labourers at the Delanggu sugar factory caused great unrest, because Masjumi-influenced armed forces came to protect the Moslem Labour Union workers who kept the factory running. Several communist influenced army units came to clash with other units.

The main purpose of this agitation was to capture the government. The leftist parties had for long watched with distrusting eyes the *Masjumi and Partai Nasionalis* policy of the government, which according to them turned more and more towards America. The rôle of the American member in the C. G. O. and the increasing American influence in the Republic but seemed to the leftists to be harmful, not only for the Republic but also for international peace and progress.

An effort to achieve again national unity, discarding all party differences, made on 20 May at the commemoration of 20 years Nationalist Movement was a complete failure. The *Masjumi and Partai Nasionalis* Indonesia did not want to give up any of their key positions in the cabinet, whereas the People's Democratic Front (F.D.R.) demanded most of the key positions.

President Sukarno's speech on 17 August on the occasion of the commemoration of the third year of independence, where he outlined again the Republican aims and stated the Republic's willingness to form an interim government even before election of a Constituent Assembly, provided it was a real national government, was regarded by the F. D. R. as indicative of the weakening of the opposition to the Dutch, caused by American influence.

So the soil was fertile for communist propaganda. Muso started all kinds of attacks; even his own fellow leaders got hit, because of their blunder in signing the Linggadjati and Renville Agreements. In September a fusion was

announced of all parties and labour unions, until then gathered in the People's Democratic Front. The new party was called the *Partai Komunis Indonesia Baru*, the new Indonesian Communist Party. Many of the leaders confessed their past political errors. Dr. Amir Sjarifuddin, who had till then been known to be a Christian socialist, confessed that he had been a communist since 1936.

The new Communist Party called for a national conference of all parties, but the proposal was turned down by the *Masjumi* and Nationalist Party because it was generally known that the Communists were going to ask at least one third of the cabinet seats.

Informed circles expected a *coup d'etat* in November, because preparations would have taken till then to mature. But on 18 September the insurrection started in Madiun, led by the four battalions loyal to Amir Sjarifuddin.

Within two weeks government troops recaptured Madiun, and within two months, the insurrection was completely put down.

At the beginning of the insurrection, the Netherlands Foreign Minister Dr. D. U. Stikker told the press, that if Dr. Hatta required, Netherlands troops would be at the disposal of the Republican government to destroy the communist forces. But this offer was gratefully declined by Dr. Hatta. He proved that he could master the difficult situation, and that Netherlands troops were not necessary.

#### DIRECT TALKS BETWEEN BOTH PARTIES

On 1 November, Netherlands Foreign Minister Dr. D. U. Stikker arrived in Batavia from The Hague. The object of Dr. Stikker's visit was to enable him to get acquainted with the situation in Indonesia. Before he went to Indonesia, Dr. Stikker had made trips to the capitals of the United States and West European Union countries, where probably the need had been stressed of coming to a satisfactory solution regarding the Indonesian problem within the shortest time.

Dr. Stikker emphasized that the C. G. O. could play in this respect an important part. He flew to Jogjakarta on 4 November, where he and his advisers had consultations with Dr. Hatta, the Prime Minister of the Republic and other members of the Republican government. He returned to Batavia on 6 November and left for The Hague on the 11th.

After his return to the Netherlands, Dr. Stikker announced that infringements of truce agreement by the Republic were decreasing quickly. But the Netherlands C-in-C in Indonesia promptly contradicted his own Foreign Minister's statement and announced that more and more truce infringements had taken place and that large Republican army units were crossing the Status Quo Line into Netherlands-occupied territories in East and West Java.

The primary difficulty during the conversations between the Netherlands Foreign Minister and the Republican Premier was the difference of opinion regarding the formation of the interim government. The Indonesian Republic wanted that prior to the formation of the interim government, elec-

tions should be held throughout the whole of Indonesia to form the Constituent Assembly. Dr. Stikker was of the opinion that elections were difficult to be held, because of internal insecurity in various areas. In order to bridge the gap between both parties the Republic agreed to the formation of an interim government before elections were held, provided that:

1. this government had a national character and was vested with concrete powers,
2. the members of this interim government were persons with adequate sense of responsibility and known throughout Indonesia,
3. the interim government pledged to observe the democratic principles and to promote development of democracy among the population,
4. the interim government was to be eventually responsible to a constituent assembly.

The views of the Republic were stated in an *aide-de-memoire* by Dr. Hatta, at the request of Dr. Stikker's advisers. It stated that with regard to the military problem, the Republican government was prepared to cooperate in the formation of a Federal Army, to which end it was willing to incorporate the Indonesian National Army, Air Force and Navy (T.N.I., A.U.R.I. and A.I.R.I.) in accordance with the directives to be determined by the Federal Interim Government in consultation with the Republican Government. The High Representative of the Crown would have control over the Netherlands forces in Indonesia and the Federal Interim Government over the Federal Armed Forces.

During the interim period, the High Representative of the Crown would have certain emergency powers and the right of veto.

The Republican government recognized that the supreme authority over the foreign relations remained vested in the Crown for the duration of the interim period. The existing Republican representations abroad should be incorporated in the representations of the Federal Interim Government.

In the main, the Republican government subscribed to the Cochran plan as regards the Union, and also as regards military and economic matters.

On 27 November, a Netherlands Ministerial delegation consisting of Dr. D. U. Stikker, Foreign Minister, Dr. E. J. M. A. Sassen, Minister of Overseas Territories and Mr. L. Neher, Crown Commissioner came to Indonesia to continue discussions with the Republic. Leaders of prominent political parties in the Netherlands parliament also came.

But this time the discussions assumed a different character. Emphasis was shifted from overall political agreement to the question of the maintenance of truce. The leadership in discussion seemed to have been taken from Dr. Stikker by Dr. Sassen, who insisted that the High Representative of the Crown should have independent authority to use Netherlands troops in Indonesia for securing law and order.

Dr. Hatta argued that this would not be compatible with the dignity and power of the interim government. Dr. Sassen in a letter dated 30

November charged Dr. Hatta for having gone back on his words to Dr. Stikker on this point as stated in his *aide-de-memoire* of 10 November.

The actual wording of the relevant portion in the *aide-de-memoire* said:

When or as soon in a certain district the maintenance of law and order appears not to be possible with the normal organs of authority, the 'state of insecurity' may be proclaimed over that district. In that case law and order shall be restored with the aid of Federal Armed Forces, and as far as necessary of the Royal N. I. Army, the Royal Army and the Royal Navy. The declaration of the 'state of insecurity' shall be done by the Federal Interim Government, in concurrence with the H. R. C. or by the H. R. C. when he considers that the 'state of insecurity' must be declared and the F. I. G. appears to be unwilling to do so

And:

In order to afford Republican Government the opportunity whenever necessary to restore law and order with its own organs of authority in the Republican territory in concurrence with the F. I. G. and the H. R. C. the 'State of insecurity' shall not be declared over any part of Republican territory, within a period of one month after the institution of the F. I. G. in regard to Java and two months in regard to Sumatra, except with the consent of the Republican government.

So on 1 December, the Netherlands Ministerial delegation left Kaliurang for Batavia. Dr. Hatta made a last effort to avoid a deadlock and clear up all misunderstandings by offering to go to Batavia for further informal discussions. On 4 December the U. S. representative in the C. G. O. went to Jogjakarta to invite Dr. Hatta to visit Batavia in order to clarify important points.

Dr. Hatta had a meeting in Batavia that same evening with Dr. Stikker, Dr. Sassen and Mr. L. Neher. Still the differences of opinion remained on the issue: who was to have authority over the armed forces in Indonesia. The Netherlands delegation could not agree to the suggestion that would even in principle place any restrictions on the authority of the High Representative of the Crown in this matter.

The Netherlands Ministerial delegation went back to Holland and the situation became tense.

These informal, direct negotiations with the Netherlands were not wholeheartedly approved by the majority of political parties in the Republic. Only the clarification by Dr. Hatta that these talks were informal and that after reaching some kind of agreement, the formal talks would be held under the C. G. O., satisfied them.

Meanwhile in Republican army circles also discontent grew, because of rumours that Hatta was going to deliver the Republican army to Netherlands command.

After the Ministerial Delegation's return to Holland, the Netherlands government, on 12 December, announced its decision to break off all negotiations. At the same time, it was announced that the Emergency Act on

Indonesia was accepted as the means to bring about the formation of the Federal Interim Government in Indonesia.

The Netherlands government decided to continue its programme for the formation of the interim government with the Federalists and without the Republic.

On that same day, the Committee of Good Offices in Indonesia reported to the Security Council:

In the light of the statements made by the Netherlands delegation that negotiations under the auspices of the Committee at this stage are futile and that there are 'irreconcilable' positions of the parties on certain issues the Committee could not foresee the possibility of its bringing the parties together in *bona-fide* negotiations.

Everybody awaited the further steps to be taken by Holland and the reactions of the federal states, especially the attitude of the pro-Republic minded states of Pasundan and East Indonesia. Would they take part in a Netherlands initiated government without the Republic? If the interim government was set up, what would happen to the Republic? Would it be left alone or be destroyed? Would the Republic be destroyed before or after the institution of the interim government?

The Netherlands Army Information Department announced on 13 December the concentration of Republican troops near the Status Quo Line in West Java.

The Republican C-in-C issued an Order of the Day on 16 December to all armed units to remain prepared for all eventualities. Military manoeuvres were announced on 16 December in the surroundings of Jogjakarta. The Republican Minister of Information declared in a speech, that the formation of an interim government without the Republic would mean a disaster for the whole of Indonesia.

On 13 December Prime Minister Hatta handed a letter to the U. S. representative on the C. G. O. wherein once again the Republican standpoint was clarified, in an effort to remove all unfortunate misunderstandings which had developed during the previous month. He authorized Mr. Merle Cochran to show this letter to some competent Netherlands official. Mr. Cochran delivered a copy of this letter to the Acting Chairman of the Netherlands delegation.

On the eve of 14 December the delegation train arrived in Batavia from Jogjakarta bringing a Republican goodwill mission on its way to East Indonesia. The next morning this train went back taking the Committee of Good Offices and its Staff to Republican territory for their usual three weeks' stay in Kaliurang.

On 17 December the acting Chairman of the Netherlands delegation cabled to Mr. Cochran its reaction to Hatta's latest letter of 13 December.

In this cable, the Netherlands delegation stated that the Republic did not fulfil sufficiently the basic requirements for a resumption of effective discussions. In order to make fruitful discussions possible it was essential that

the Republic should clearly state its acceptance at least of the basic principles mentioned in the Emergency Act on Indonesia.

These demands were:

1. the incorporation of the Republic in the federal organization on the same footing as the other federal states,
2. the regulation of the position of the High Representative of the Crown and the authority conferred upon him in the Emergency Act on Indonesia,
3. the article concerning the federal forces, state of war, and siege and state of insecurity.

A reply to this letter was demanded from the Republican government before Saturday 18 December, 10.00 a.m.

On 18 December Mr. Merle Cochran flew back to Batavia bringing personally his answer to the Netherlands ultimatum (although officially the name 'ultimatum' was denied). He delivered it personally to the Acting Chairman of the Netherlands delegation at 9.40 a. m.

Mr. Merle Cochran emphasized that the short period between the receipt of the Netherlands delegation's letter on 17 December at 3.15 p.m. in Kaliurang and the zero hour for an answer at 10 a. m. on 18 December, did not give any opportunity to the Republic to study and consider this letter and formulate its answer.

Mr. Merle Cochran declared that he could not press Dr. Hatta for immediate reply to a letter which called not for a mere expression of willingness to resume negotiations but rather for a surrender to the position of the Netherlands government on every material point.

At the end of his letter Mr. Merle Cochran said:

I must again repeat the plea, constantly made and reiterated by all members of the Committee for some months, that negotiations be resumed. The issues at stake are too tremendous for all concerned, the human values too incalculable, to permit any of us to relax our effort at this crucial time.

The same day, 18 December, at 11.45 p.m., the Secretary of the Netherlands delegation delivered a note to the secretary of the Republican delegation in Batavia, stating that from 00.00 hours that day, the Netherlands Government would not consider itself bound by the truce agreement any more.

Mr. Merle Cochran, the only member of the C. G. O. in Batavia also got a similar letter. It was impossible to pass on this notice to Jogjakarta because cable connexions were cut off.

The members of the Republican delegation in Batavia were arrested at midnight. Dutch military units crossed the Status Quo Line. In the early morning of the 19th, airfield Maguwo near Jogjakarta was taken by Dutch paratroops, and airborne troops were landed. The Republican capital was occupied. President Sukarno, Prime Minister Hatta and members of the Republican cabinet, who had had no indication of the resumption of military action by the Dutch, were all captured.



## THE ECONOMIC POSSIBILITIES OF THE ANDAMAN AND NICOBAR ISLANDS

By DR. S. P. CHABLANI

### STRUCTURAL BACKGROUND

#### *Origin of Name*

THE name Andaman has always been in existence in some form or other throughout historical times. Probably it represents 'Handuman,' the Malay form of 'Hanuman'—the mythological god of the Hindus. The Chinese and the Japanese knew the islands as Yeng-t'o-mang and Andaban respectively in the first millennium A. D; while Marco Polo (1292) refers to them as Angamanian and Nicolo Conti (1430) as Andemania. Similarly, the existence of the Nicobar islands—the 'Land of the Naked,' has been known from the earliest times.

#### *Physical Features*

The Andamans and Nicobars are a group of islands in the Bay of Bengal, formed by the summits of a submarine range of mountains connected with the Arakan Yoma of Burma, stretching in a curve to which the meridian  $92^{\circ}$  E forms a tangent, between Cape Negrais and Sumatra. The extreme north point of the Andamans lies in  $13^{\circ} 34' 3''$ , and the extreme south point of the Nicobars is  $6^{\circ} 45'$  N.

The Andaman islands command an area of 2,508 sq. miles and the Nicobars about 635 sq. miles, making a total of 3,143 sq. miles.

Geographically speaking, the Andaman and Nicobar islands belong to two separate submarine ranges between Burma and Sumatra, whose eastern outlines are expressed by the Invisible Banks and Barren Islands.

Fortunately, the Andamans just escape the violent earthquakes to which its neighbours, the Nicobar, Narcondam and Barren Islands, are liable. The geographical pattern of the Andamans is similar to that of the islands of Japan and other groups similarly situated on the earth's surface.

The main part of the Andaman islands, popularly known as the Great Andamans, separated by the Straits of Austen, Homfray, Andaman and Macpherson, may be conveniently divided into three groups, consisting of five islands viz. (a) North Andaman upto Stewart Sound; (b) Middle island and the adjacent islands of Baratang and (c) South island and its satellite, the Rutland island. The axis of this land from end to end forms almost a meridional line nearly 156 miles long.

The main islands have the Landfall islands to the North, Interview island to the West, the Labyrinth islands to the South West and Ritchie's archipelago to the East. And there is the Little Andaman, 31 miles to the South across the Duncan passage, the commercial highway between the Andaman and the Madras Coast. Besides these, a great many islands, said to number 204, lie off the shores of the main land. The extreme length of the Andaman group is 219 miles and the extreme breadth 32 miles, commanding a total area of 2,508 square miles.

The Nicobar islands are a southern continuation of the chain of Andaman islands. They lie midway between Singapore and Ceylon and command the Western exit of the Malacca straits. The group consists of twelve inhabited, and seven uninhabited, islands and the more important of these are the Great Nicobar, Little Nicobar, Car Nicobar, Katchall, Teressa and Nancowry. The Nicobar archipelago commands an area of 635 miles.

### *Hills and Rivers*

The Great Andaman islands are a mass of hills enclosing very narrow valleys, the entire area being covered by exceedingly dense tropical forests. The mountain ranges which run parallel from north to south particularly in the North and South Andamans, rise to moderate heights, the maximum being 2,400 from the sea level. Within these ranges there are a number of flat and beautiful valleys, the more important of which are Thugapur, Betapur, Rangat, Happy, Bajualunta Bomlunta and Borcham. In these fertile valleys there are no rivers but many perennial streams which can all be harnessed for the purpose of irrigation. This lowland, at once fruitful and fertile, may be deemed to be the granary of the Andamans. Some of the peak points more particularly the Saddle point in the North Andaman, Mount Divolo in the Middle Andaman, Mount Harrieth in the South Andaman and Ford's in Rutland Island are very pleasing to the eye. Indeed the scenery throughout the islands is strikingly beautiful and varied and the coral beds of the more secluded bays are distinguished for their assortment of colour. The wooded hills, the ever green valleys and the sea below afford a magnificent view, possessing immense possibilities for developing holiday resorts for people of rank and fashion.

### *Topography*

The coast of the Andamans is deeply indented forming a number of safe harbours and tidal creeks surrounded by mangrove swamps. Port Blair which is the chief port and seat of administration is a capacious harbour on the east coast, capable of berthing the biggest steamships. It is 780 miles from Calcutta, 740 miles from Madras and 360 miles from Rangoon.

Mention may also be made of Port Meadows, Colebrooke Passage, Elphinstone Harbour, Stewart Sound, Port Cornwallis, Temple Sound, Interview Passage, Port Anson, Port Campbell and Port Mount and Macpherson's Strait. Besides, there are several anchorages for sea-going vessels which lie along the coasts.

There is coral all over the coasts and the Sentinel islands are composed of the newer rocks with a superstructure of coral. Other valuable substances found on the islands are hard volcanic breccias in the Penal Settlement, yielding excellent building stone. Good red clay for bricks is also plentiful. Besides, there are pockets of limestone as also pretty reddish marble and red ochre which is excellent roofing material. Mica in workable quantities is also available.

### *Climate and Health*

The climate of the islands is warm, though tempered by pleasant sea breeze. The humidity is high and rainfall heavy, averaging about 110" per annum. Parts of the islands are malarious, though, on the whole, the health condition of the people is satisfactory, perhaps better than in India.

### *Population*

According to the census of 1941, the population of the Andamans was 21,316 and that of the Nicobars 12,452; but on account of the destruction of population during the Japanese war and the dissolution of the penal settlement, the population of the islands has considerably declined. The density of population in the Andamans is 6.11 persons per sq. mile and 17.32 persons for the Nicobars, the average density for the two groups being 8.41 persons per square mile.

### *Communications*

The means of communication are still deficient and if development is to proceed apace the greatest attention will have to be paid to this matter. The islands are served by a chartered steamer, the S. S. *Maharaja* which carries both passengers and cargo. It plies between Calcutta, Port Blair and Madras, often *via* Nicobar and takes over a month to complete her voyage. The Forest Department and the civil authorities have motor launches for their own use; but the general population has nothing beyond a defective bus service plying within the Port Blair district.

There is only one road in the Andamans, which connects Port Blair with a few villages upto the Bamboo Flat. The road is 28 miles long; but it is in a state of disrepair. The other islands of this groups have no roads at all. In Car Nicobar, however, there are good roads constructed by the Japanese during their short stay. On the whole the road communications are far from satisfactory and need considerable improvement. The communications with the mainland also need to be developed with the utmost expedition.

## II

### ECONOMIC POSSIBILITIES

#### (i) *Agriculture*

Agriculture is not the primary occupation of any class of people of the islands. It is treated as a secondary occupation, largely by those who are engaged in Government service. The agricultural possibilities of the Andamans are immense and if the islands are developed on the right lines, they will not only be able to sustain their own population but also add to the food resources of the mainland.

#### *Crops*

Paddy is the principal crop; its quality is good and yield heavy. It can grow almost over the whole surface of the land; and wherever adequate irrigational facilities are available, even three crops can be raised in a year.

On an average, the yield of paddy is about 16 maunds per acre in one single crop; but where three crops are raised the annual yield amounts to about 40 maunds per acre.

Among the other crops may be mentioned pulses—red, black and green. Sugar cane, maize and oil seeds are also well adapted to the soil and climate and their yield is much higher than in India. Jute and cloves have not so far been tried although there is a fair prospect of their success.

#### *Fruits*

All tropical fruits can grow in the islands—plantains, *papita* and pineapple, mango, citrus and guava. Plantains, pineapple and *papita* are already extensively grown. The citrus also prospers on the islands and an orange plant is able to bear as many as 1,500 to 2,000 fruits.

#### *Plantations*

Extensive plantations of coconut, coffee and rubber are seen on the islands and they have unlimited possibilities. Tea is also grown though its quality is poor.

#### *Vegetables*

Vegetables similar to those grown in India—ladies' fingers, sweet potatoes and peas, gourd, carrots and radish, brinjals and onions can all be grown successfully. It is, however, not known if the cultivation of potatoes has ever been tried; but there is a case for further investigation in this direction.

The soil of the islands is extremely fertile; and the rainfall is adequate and evenly distributed all the year round. The area of cultivable land available in the islands, after making due allowance for forests, which are a bounteous source of security and wealth to the islands, is estimated at about 1,000 sq. miles, or about 6½ lakh acres. Land being limited, the best thing would be to resort to intensive cultivation of land under scientific management. The Andamans offer a fertile field for experiment and research in modern agriculture. Here is a vast tract of virgin land waiting to be exploited; here is a chance to carve out a new tradition and to build a new system of agriculture, which may be beneficial not only for the islands but also for the mainland. It is difficult, at the moment, to estimate correctly the total population that can be supported by agriculture, by horticulture and plantations; but on the basis of an average holding of 10 acres per family perhaps three lakhs would not be an overestimate.

#### *Farming*

It is estimated that before the Japanese war in 1942 there were about 10,000 heads of cattle and a little over 4,000 goats in the great Andamans. But during the three years of Japanese occupation most of the cattle were slaughtered and to this day it has not been possible to replenish the bovine population which is so essential to a balanced economy. Grazing grass is plentiful and the general health of the cattle is good. Unfortunately, the cow and its mate are not able to withstand the warm and humid climate of the islands

and almost every one of them suffers from ringworm. But the buffalo thrives better. It is found useful not only as a draught animal for agricultural operations, but also extensively used by the forest department for hauling logs of wood from the forests to the ports.

Dairy farming has so far been entirely neglected; and it can be developed with advantage. It may be possible to introduce a variety of cattle which is able to withstand the damp climate of the islands. In those outlying islands agricultural operations should proceed side by side with dairy farming, and it should not be impossible to develop the industry to a high pitch of efficiency so that its products may not only suffice for the local population but also fill a gap in the economy of the mainland.

### *Poultry*

Poultry keeping is very popular as there is very little other meat. But scientific training still remains to be imparted.

### *(ii) Forests*

The Andaman islands are the biggest single source of high grade woods in India. More than 1,300 square miles are under forests and Mr. G.N.R. Ayyangar has rightly called them the 'gold mine of timber wealth.' A large variety of timber is available for commercial exploitation. *Padauk* which is the most important and valuable variety is reckoned at par with high grade teak in the world market. It can be used for buildings and boats as well as for furniture etc. *Gurjan* is next in importance and is grown invariably in all forests throughout the islands. Among other varieties may be mentioned white *Dhoop*, *Chuglum*, *Papita*, *Pyima*, cane, Mulberry and Bamboo which are all extensively grown. Teak has not yet been tried on any considerable scale but there is a prospect of its success.

The present annual output of timber from these forests is estimated at 40,000 tons, the great bulk of which is marketed at Madras and Calcutta. It sells at the rate of Rs. 100 per ton and fetches an income of Rs. 40,00,000 per annum. The total capacity of the forests, however, is estimated at 1,36,000 tons per annum; but about 96,000 tons of timber deteriorate and decay every year for want of labour and proper means of communications. The islands are thus wasting annually nearly a crore of rupees on account of the non-exploitation of its forest resources.

### *(iii) Industries*

Industrial power in the modern world is based on the trinity of iron, coal and oil. The Andamans lack of all the three. They are also deficient in other subsidiary minerals of industry—copper and chromite, bauxite, monozite and manganese. Thus the scope of the islands in developing heavy industries is limited; but we may yet build, with success, a number of industries based on indigenous raw-materials.

### *Industries based on Forests*

As forests are the chief source of wealth of the Andamans the best

thing would be to develop them and their ancillary industries. India has a heavy building programme on the agenda and it will be an advantage to the mainland as well as to the economy of the islands if the forests are scientifically exploited to the optimum. At present considerable quantities of timber are exported in its crude form. If saw-mills are worked more extensively and standard doors, windows etc. are manufactured and exported, considerable shipping space can be saved and more labour can be employed. There is at present one big saw-mill worked by the Forest Department which employs about 2,500 persons. If the forest resources are exploited to the full perhaps some 10,000 persons and more could be employed. Considerable number of people would also be required by the Forests Department for felling trees and clearing the jungle, but this number cannot be easily estimated.

#### *Matches*

There is at present one match factory at Port Blair run by the Swedish Combine. As India is still a net importer of matches either the present factory may be expanded or a new factory set up. Indeed the Andamans could produce all the matches India needs, for it has abundance of *papita* and *simal* wood which is the chief raw-material of the industry.

#### *Plywood*

It is believed that a certain firm is negotiating with the local authorities for the setting up of a plywood factory for which there is suitable timber. If the Andaman islands are developed to their full stature, as they must be, there will be scope for many such factories. There is a large demand for plywood in the Indian market and the industry has a potential which is totally unexploited.

#### *Other Industries*

Other allied industries which could be established are lac and rosin works, turpentine oil paints and varnishes.

#### *Oil industry*

It has already been observed that the Andamans have an extremely large supply of coconuts; and notwithstanding the enormous quantity that is allowed to rot, some 30,000 maunds of coconut in its raw state are exported annually to India and Burma. It should be possible to support a couple of oil mills. The same factories can expel oil out of groundnuts and oil seeds which grow well in the Andamans. In the West, oil seeds and coconuts are carefully processed to produce edible oils, butter substitutes, cattle food and low grade oils for soap manufacture. Taking India as a whole the oil extraction industry has made but little progress, although India is one of the largest producers of oil seeds and coconuts. Considerable advantage would accrue if the industry is established in the Andamans, for oil is a valuable product of industry, and its by-products, the crude oil cake and the meal, hulls and linters too have an importance of their own. The ashes of hulls, being rich in phosphoric acid, make excellent fertilizers; while the cake and the meal are not only good

fertilizers but also valuable cattle food when mixed with wheat bran and corn meal.

### *Soap*

A by-product of vegetable oil industry is soap. There is not a single up-to-date soap factory in the Islands. The availability of vegetable oils and fats, the cheapness of land, the presence of a wide market in the islands (when the islands are developed) and in India and a high revenue duty on imported soap give the islands considerable advantage in this field. If edible oils and fats, paints and varnishes can be scientifically manufactured and glycerine recovered from the lye, the soap industry indeed has a good future. And yet we will have to send a team of chemists and soap experts to the islands to lay the rock foundation of the industry.

### *Fisheries*

Fisheries are another important industry which need to be developed. Sometime ago a large organization called the Andamane Development Corporation with a capital of Rs. One crore was floated but it failed on account of a variety of reasons. The islands are plentifully endowed both in respect of marine as well as fresh water fisheries. Unfortunately little exploitation of this great source of wealth has been done. If deep sea fishing is resorted to with the aid of steam trawlers and power boats the catch of fish would improve and the industry would prove to be a blessing to the islands and the mainland. The fish industry is capable of alleviating the rigours of our food famine, if not of solving the food problem of the country. What is more, fishing is not a single industry by itself. Upon it depend a number of subsidiary industries such as the manufacture of liver oils, gelatines and glues, fish meal and manure-industries that will revitalize man, cattle and land.

The list of industries which the islands could develop and support can be substantially enlarged; but I shall only make a passing reference to them. Among the remaining industries which are within the realms of possibility may be mentioned paper and pulp, fruit preservation and canning, sugar extraction, flouring milling and boat building.

### *Conclusion*

From the foregoing pages it will be seen that the Andaman and Nicobar islands are capable of supporting a flourishing agriculture, a thriving industry and an extensive sea-borne trade. A number of experts have already investigated the economic possibilities of the Andamans; but a detailed analysis of the potentialities of the islands still remains to be done. We need to survey the flora, the fauna and the fisheries of the islands as also their mineral wealth. This will require the collaboration of experts in many fields—naturalists and geologists, businessmen and economists, engineers and technicians. *Prima facie* the islands are capable of economic exploitation and, if properly developed, they can supplement the agricultural and industrial needs of the mainland. As the area of the islands is limited there should be intensive exploitation of their natural resources and simultaneous development of agriculture and industry, fisheries and forests.

## REVIEWS AND NOTICES

### INTERNATIONAL AFFAIRS

**THE COMMONWEALTH AND NATIONS: STUDIES IN BRITISH COMMONWEALTH RELATIONS.** By Nicholas Mansergh. 1948  
(London: Royal Institute of International Affairs, 8s. 6d. net.)

THE book contains eight essays written with a view to throw 'into clearer relief some of the underlying trends in recent Commonwealth thought and practice'. The first three essays deal with the dynamic conception of the Commonwealth as it has come to be understood in Britain and the four older Dominions. The next three essays describe the changes that have been taking place in South-east Asia—such as the achievement of freedom in India, Burma and Ceylon; the partition of India and the birth of Pakistan; the choice of Burma to quit and of Ceylon to remain within the Commonwealth; the rapid extension of Communism and Russian influence in Asia; and the coming together of the Asian nations, on the initiative of India, at the Asian Conference at Delhi in 1947. The last two essays deal with the situation as it has developed in Ireland since 1916 and describe Eire's relationship with the Commonwealth and examine the future of the Commonwealth and of the non-white nations within it.

Dr. Mansergh has been eminently successful in giving a clear idea of the nature of Commonwealth relationship and of the machinery of consultation and cooperation which makes it possible for the members of the Commonwealth, in spite of their separate regional interests, to achieve unity of outlook and even of action in international affairs. However, Dr. Mansergh has failed to forecast correctly the developments that have taken place recently at the London Conference of Commonwealth Prime Ministers—mainly because he appears to have been influenced far too greatly by the Irish example. He believes that the solution of the problem presented by India and the other Asian members lay in creating a second type of membership—associate membership of Commonwealth of Nations.

Dr. Mansergh has also not succeeded fully in evaluating the forces at work in India during what he calls 'the last days of the British Rule'. In his essay on this subject he has made no reference whatsoever to the part played by the British officials in India in the formation of Pakistan and in the terrible happenings that took place both before and after the partition. Similarly Dr. Mansergh has not been able to appraise correctly the forces at work at the Asian Conference held at Delhi in 1947. I am afraid, he has exaggerated the fears of smaller nations of South-east Asia of Indian and Chinese penetration and control and has misread the object of the Delhi Conference as an attempt to form an 'Asian neutrality bloc'.

All the same the book under review is an important and a useful publication, particularly at the present juncture. It is a valuable contribution towards the understanding of the dynam but intangible relationship involved in the membership of the British Commonwealth of Nations. Its special feature is



that it presents the points of view of both Britain and the Dominions with fairness, insight and accuracy.

GURMUKH NIHAL SINGH

**NEGRO LIBERATION.** By Harry Haywood, 1948 (New York: International Publishers, \$ 2-75).

Mr. Haywood is a Marxist, and his approach to the subject is on orthodox Communist lines. His plea is that the white and black proletariat in the USA should overthrow the common enemy, American capitalism and imperialism so that the Negro 'nation' may have self-determination and democratic self-government in the Black Belt in the USA. Full democratic rights for the Negroes are unattainable through progressive reforms within the framework of the existing political set-up. They can be attained only by revolutionary methods. Mr. Haywood is content to preach the philosophy of proletarian revolution; for Negro liberation, he does not give a programme. He is full of tiresome repetitions of familiar Communistic slogans and phrases.

In the whole of the USA Negroes number about 15 millions. Of them, about 5 millions are in the Deep South or the Black Belt. In about 180 counties, they are in a majority, ranging from 50 to 85 per cent. In 290 others, they vary from 30 to 50 per cent. In the South, Negroes have been deprived of the vote, notwithstanding the American War of Independence, the American Civil War to liberate the Negro slaves, and the US Constitution conferring equal rights on all Americans irrespective of race. They suffer from a variety of disabilities and deprivations on account of their race, corresponding to the Depressed Classes in India, particularly South India.

It is however, noteworthy that the denial of the franchise does not affect the Negroes only. For, according to Mr. Haywood, as many as 6 million southern whites were disfranchised as compared with 4 million Negroes in 1941. The whites were willing to pay a price in order to deny the vote to the Negro! Both the whites and the Negroes in the South have the lowest wage and living standards in the USA. Nevertheless, as compared with the poorer whites, the poorer Negroes are poorer still. Racial discriminations reinforced the economic depression of the Negroes. The southern whites were willing to depress some white people in order to depress the Negroes more effectively.

Mr. Haywood discusses the various policies to ease the position of the Negroes in the South. Migration to the northern states of the USA, or to Africa and industrialization of the South are discounted as inadequate or inexpedient. His solution is that the Negroes in the Black Belt should stay put and claim themselves to be a nation, entitled to self-determination and self-government, with the right of secession from the USA. In all areas where the Negroes form a majority, they should have democratic right of governing not only themselves but also the white minorities. He is opposed to the creation of a separate State for the Negroes, to which the Negroes from all over the USA might migrate and be segregated from the whites. He wishes to bring back the Reconstruction days.

Mr. Haywood quotes the attitude and policy of the Muslim League in India with approval and as an example for the Negroes in the USA. If Indian Muslims, scattered all over India but in majorities in certain areas, can claim to be a nation entitled to self-determination and self-government and secession, why should not the Negroes in the USA do likewise? Mr. Haywood's sole source of information regarding India seems to be the Communist comrade Palme Dutt. Mr. Haywood would secure his purpose, namely, the economic and racial emancipation of the Negroes in the USA, by the longest and the most difficult and dangerous route. To promote the idea of a Negro nation on the lines of the Muslim nation of the Muslim League in India is to court and cause trouble. If it is loudly proclaimed that the Negro nation would govern the Black Belt, it is very unlikely that the whites in the South, or even in the north, will permit it in the first instance. If, in spite of them, it was consummated, it is unlikely that the white minority will care to stay put, and not migrate in a body. Every act of injustice, real or fancied, of the Negroes over the whites in the south will provoke reciprocal retaliation in the north and the Negroes in the north are likely to suffer most. The Indian National Congress is a better example than the Indian Muslim League for the US Negroes to adopt. Let there be but one nation in the USA, and not two or several. If emphasis is laid on the implementation of the American Constitution, which recognizes no racial discriminations, the Negroes will get all they need. The US President's Committee on Civil Rights said that the civil rights of the American people—all of them—can be strengthened quickly and effectively by the normal processes of democratic, constitutional government. Reform may be slow, but it is sure. Revolution may be dramatic, but uncertain and in the process disastrous to the innocent who form the bulk. There are enough national and international troubles in the world already; it is not a good turn to add to them.

P. KODANDA RAO

TRUSTEESHIP IN THE PACIFIC. *Edited By A. H. McDonald* 1949.  
(London: Sydney Angus and Robertson Ltd., 10s-6d.)

This small book written by a study group of the Australian Institute of International Affairs under the chairmanship of Professor A. H. McDonald presents an analysis of both the general principles and the particular local conditions of trusteeship in the Pacific. Chapter I gives a brief survey of the Mandate and Trusteeship systems. It discusses the steps leading to the establishment of the trusteeship system and mentions briefly its chief provisions. Chapter II throws light on the conflicting ideologies of the various United Nations statesmen regarding the disposal of the enemy territories. Strategic interests and power politics played their due part in the deliberations of the San Francisco Conference. The real intentions of the colonial powers came to the surface in the drawing up of the trusteeship agreements. The progress of non-self-governing peoples towards self-government or independence, the determination of 'States directly concerned,' the question of South-West Africa and the nature of U. N. control over the trust areas aroused bitter

controversy and put a shade over the noble sentiments expressed in the World Charter. The next chapter discusses the actual working of the trusteeship system in New Guinea, Nauru and Western Samoa. The progress achieved in various fields such as representative institutions, education, economic development, labour etc. has been mentioned. The author believes that 'self-government is not a mere political condition that can be called into being by an Act of Parliament.' Necessary social and economic changes are prior conditions for self-government. The author, therefore, comes to the hasty conclusion that Western Samoa is not ready for self-government. Only a few Samoans and Whites clamour for it. Here the author exhibits the usual tendency of the colonial powers to find excuses for delaying self-government. If certain social and economic changes are lacking, the imperialists are themselves to be blamed for it and not the colonial peoples. As regards the conclusion that it is the clamour of a few people it is the usual theme of the colonial statesmen. During the August 1942 disturbances in India Mr. Churchill declared that the Indian National Congress represented only one per cent. of the population. As regards strategic areas under American trusteeship, the author is frank and fair and characterizes Article 13 of the agreement as an open licence to exclude the supervision of the Trusteeship Council.

The next few chapters—Chapter V to Chapter VII—deal with the movements of South-East Asian colonial peoples for self-government. The various stages in this evolution have been narrated. The author comes to the conclusion that the realization of political aspirations has not been a real blessing to the common people. The territories concerned are still tied to the apron-strings of economic *colonialism*. Referring to the Philippines he writes: 'Without economic independence, however, political independence for the Philippines remains incomplete. There is some harsh truth in former President Osmena's denunciation of certain provisions of the 1946 U.S. legislation as "a curtailment of Philippine sovereignty, a virtual nullification of Philippine independence".' The author's point of view is clear but it will have to be admitted that only the achievement of political independence hastened the realization of the economic dependence of the peoples on others. Unless the dependencies are politically free, how is it possible for them to put a stop to colonial economy? The last chapter deals with the problem of regionalism in the Pacific. Regionalism is a useful device in solving common social and economic problems but the fear is that regionalism may lead to amalgamation and assimilation of the colonial territories with the metropolitan countries. Whatever the opinions of the authors, the various contributions contained in this volume bear the impress of a scientific attitude of mind and will, therefore, prove a useful survey of trusteeship problems in the Pacific.

**AMERICA'S PACIFIC DEPENDENCIES.** By Rupert Emerson etc. 1949.  
(New York: American Institute of Pacific Relations. \$1.50.)

This small book containing articles contributed by various American writers/ is a survey of American colonial policies and of administration and progress

towards self-rule in Alaska, Hawaii, Guam, Samoa and the trust territory. Some of the American dependencies such as Hawaii and Alaska may remain as such only for a short duration and may be amalgamated very soon with the U.S.A. proper, but it is no credit to the United States that several or almost all other dependencies have not settled government of their own. There is no definite plan of self-government and the territories are being governed directly though under the supervision of one department or the other. The U.S.A., a champion of democracy elsewhere, should not shirk its responsibility in promoting self-government among the peoples placed under its charge. All the contributors have been frank and fair and have discussed the problems scientifically and on an objective basis. Professor Rupert Emerson has reprimanded U.S.A. for not practising 'at home what is preached abroad' and has put forward a plea for making a more effective use of the U.N. in the field of dependencies. The authors do realize the halting nature of America towards the national movements in South-East Asia but it is clearly recognized that U.S.A. will have to change her mentality if her leadership and prestige is to be retained in that strategic part of the world. The various chapters contain useful information regarding the dependencies such as their history, economic social and political development and prospects for the future.

SUSHIL CHANDRA SINGH

**DEMAIN. .L'OCEAN INDIEN (STRATEGY AND POLICY IN INDIAN OCEAN)** By Alfred Silbert. 1948 (Paris: Nouvelle Edition, 345 Frs.).

A French colonial official with intelligent capacity for judgement writes something quite sensible, which on account of his mature background is worth reading with careful attention. It may be, his appraisal of trends of events in this part of the world has the nostalgic warmth of feeling of a Blimp.

One looks in vain for the scholarly and incisive reasoning of Panikkar. The title of the book is a misnomer. More than anything else, it is a traveller's record of his impressions on the spot without a second thought. He gives a delightful description of present conditions of political and social life in Indonesia, Malaya, Indo-China and Australia; but the chapters on India are a mere newspaper account and make a dull reading.

Any casual visitor from the West, usually lives apart from the hub of common life, mixes up with upper bourgeoisie society; and after a few days, thinks himself an authority on Indian problems and prescribes some quack 'medicines' for her political, economic and social ills. And invariably, either he compliments her for her splendid and awe-inspiring past or obliges her like Miss Mayo with some nice parting kicks for her social maladies. Unhappily, this author also shares some of such naive prejudices, especially when he styles the orient as a land where fervour and fanaticism shade into one another. The last two wars have amply demonstrated that fervour and fanaticism have no frontiers. But it is a digression from the main subject of the book.

The main thesis of the book is the strategic importance of the Indian Ocean in the event of a third World War. It can be better summed up in the following concluding remarks of the author:

The English have got to settle immediately with the successor of Gandhi. In case, 'Asian Third Force' comes into being, it is probable, Britain will have to recast her strategy which she has been following in the Indian Ocean..... Definitely, the victory will rest in favour of one of the two adversaries who will be able to utilize fully, may be for offensive or defensive purposes, India as a spring-board.

This is somewhat exaggerated. Geographically speaking, the land mass of China which protrudes into South-East Asia is of more strategic importance than India even. While taking stock of the events in the Indian Ocean, we should not under-value the impact of coming into being of a Communist China.

Present colonial empires cut across regional alignments, a positive disadvantage in strategy; a gap which they are trying to fill up by modifying their policies. The result has been the coming into being of independent countries under the auspices of metropolitan countries. Wherever imperialism is not able to maintain its grip over the situation, it resorts to partitioning of that territory thus making sure that these areas will always remain instruments of its policy.

The crux of the problem has been somehow to manoeuvre India into the position of an eastern bastion in the cold war because of its geography, industrial strength, her importance as a supply base and source of immense man-power. So a grand alliance involving the Indian sub-continent and South-East Asia would be an imperative necessity in this context, as a bulwark against communist aggrandizement. This very reason has impelled Great Britain to modify the concept of the Commonwealth. Also, Bao Dai is back to his crown and Sjahrir is yet again posted at Jogjakarta for this very reason.

Whatever the motives, one fact clearly emerges that the Japanese had diffused a wave of intense nationalism, which was conscious of its inherent strength. But now on, the foreign policies of India and China are going to be a fundamental factor which will affect the scope and trend of nationalism in South-East Asian countries to a considerable degree. But unfortunately for Asia, India and China are outposts of two political forces arraigned against each other. The prospects are pretty grim.

In Burma, Malaya, Indonesia, Indo-China and Siam, there are sizable Chinese and Indian communities who have come to live permanently in these lands. It creates an undercurrent of fear, hence a sentiment of hostility towards India and China. Silbert in this volume under review mentions a Malayan party which pleads for union with Indonesia. A federal union of these five heterogeneous States with a common programme of economic and social development is an imperative necessity. It would be an almost self-sufficient region with a sizable export surplus. Above all, it can solve the problem of distinct minority groups in each country. Also it could serve as a buffer State between India and China. But it won't be a feasible proposition, till the colonial empires cut across such regional alignments, to maintain their spheres of influence of strategic importance. The whole of South-East Asia is violently disturbed and

is in a state of disequilibrium. So some of the conclusions of the author are out of date. A Communist China, a possibility which could not be visualized by the author, is an established fact. With China gone Communist, and India in the Commonwealth, the third force in Asia, in the eventuality of War, is a myth. However loudly one may declare the independence in foreign policy, one is afraid India is more in than out of the power blocs.

Apart from the advantages of strategy in South-East Asia, the Communism has a distinct advantage in policy. The economic uplifting is the main bulwark, a strong defence against intrusion by Communism. So, if we view the White Australia policy in this context, there is a definite disadvantage of policy for Indo-Anglo-American bloc. Shall we fight the war to preserve the White Australia policy? Communism, in a state of crisis, will offer the vast spaces of Australia to the teeming millions of Asia. We cannot close our eyes to this situation. The crisis is brewing and prospects are quite grim and gloomy. A strong and united India and China could be a menace to White Australia, in the very near future. So a psychological adjustment, on the part of Australia, is inevitable. It is a different question, whether it comes voluntarily, may be not so willingly, or by the sheer force of circumstances.

GIRIJA KUMAR

ASIAN LABOUR. (Inaugural Number) New Delhi: The Indian Labour Forum.

A literary critic once referred to human endeavour as 'make-believe' and human frustration as 'fact'. The defeatism is too obvious to need comment, but in regard to affairs Asian, it seems so dangerously near being true. Asian unity, so apparent, so fundamental, seems to be elusive of achievement in any tangible form. The reasons are many and complex; one need not, however, go into them, for there is one vital, unifying factor.

This is the common man—the common man in India, Pakistan, Burma, Ceylon and in every country in South-East Asia and China, who lives on his land, whose society is bound up with it as are his joys and sorrows. Our problems are common in regard to population, agricultural development labour organization, rural reconstruction and so on, all affecting the peasant worker. When the idea of Asian awakening reaches this man, not through slogans and shibboleths, but in terms of positive, tangible, concrete 'doing' in the field of rehabilitation, then Asian unity can move forward from make-believe to fact.

This is the target *Asian Labour*—the quarterly started by the Indian Labour Forum, New Delhi, (Editor Mr. T.L.A. Acharya) has set for itself. Whatever may be its other achievements, the Asian Relations Conference (1947) brought out one fact. Big movements were taking place in each Asian country, as in our own, aiming at improving the status of the common man, aiming in fact, at a social standard. Strangely, this is not a field for cooperation as commonly understood, but there is great scope here for constant consultation for the limited but vital purpose of stimulating incentive, standardizing

methods and objectives and measuring success of experiments and progress of effort. It is here *Asian Labour* can serve an important purpose.

It is significant that the Editor has been able to achieve the cooperation of leading workers in several Asian countries in making the publication informative and authentic. There are articles by Indian, Burmese, Ceylonese, Malay, Indonesian and Chinese experts on labour movements in their respective countries. If *Asian Labour* maintains the standard shown here of authentic study and devotes itself to the objective study of problems connected with social standards in all Asian countries, it will be a great asset to governments, employers, workers and students of labour welfare throughout the Asian region.

P. RAMASWAMY

### OTHER BOOKS

**INDIA AS A WORLD POWER: Aspects of foreign Policy** By Madan Gopal.  
1948 (Delhi: Rajkamal Publications, Ltd., Rs 2.-12-0).

The book under review is a small but useful publication. In seven short chapters—covering 115 pages in all—the author reviews the course of international affairs in the last fifty years. The appendices give Wilson's 14 Points and the texts of the Atlantic Charter and the Charter of the United Nations. The study is realistic, well-informed, clear and on the whole objective though there are noticeable pro-Soviet and anti-U.S. leanings.

The author believes that 'so far as our foreign office has placed consideration of international morality before national interests' and considers the reference of the Kashmir issue to the United Nations 'a hasty and ill-advised step'. He regards Pakistan as 'problem No. 1 in the domain of our foreign policy'. 'Its creation by Anglo-American imperialism is against the course of history—sooner or later history will force a merger...'. In the meantime Indian interests require that Pakistan should be helped to become strong, 'strong enough to resist any foreign influence.... A sufficiently strong Pakistan can be a good buffer State between India and the America-dominated Muslim States of the Middle East'. Mr. Madan Gopal supports the Asian policy of Pandit Nehru. He advocates the enunciation by India of 'a sort of a Monroe Doctrine, shorn of its domination and exploitation bias' for Asia, including the Middle East. 'In order to be able to do that she must be strong, militarily and economically'. And he concludes:—

A strong India is the principal condition of a successful foreign policy, and, therefore, the immediate problem facing India before she enters into any commitments is to build up her military and industrial power, which cannot be done 'by ploughing a lonely furrow', because that policy leads to our isolation, and it is a very unhappy position to be left without friends and allies.

Our last chance lies in aligning ourselves with the other Asian Powers—and until the time we are not strong, playing off one Big Power against the other. This advice, however, runs counter to the one given in the earlier chapters—wherein the author asks India to cultivate friendly relations with both Britain

(because of her control of the Indian Ocean) and Soviet Russia (because it is 'the greatest Asian Power' and 'the hope of the oppressed humanity in Asia and Africa') and warns India of the grave dangers of accepting herself and allowing any other 'Power in the Indian Ocean Zone' of any financial help from the U.S.A. India may obtain technical assistance from such small powers as Sweden, Switzerland and Czechoslovakia. Writes Mr. Madan Gopal: 'India's alignment with the United States... will only mean providing the missing link in the chain of encirclement round the U.S.S.R. and thus hasten World War III'.

GURMUKH Nihal SINGH

THE TEACHING OF CIVICS. By Prof. L. B. Haroliker, (Bombay: Padma Publications).

The present book is one of a series intended apparently for teachers under training for a Teacher's Diploma. The teaching of Civics has recently been introduced in our schools and colleges, and the need has been felt of a suitable book which would give the necessary guidance to teachers of the subject. The small book under review should serve to a great extent to satisfy the need.

After a short preliminary chapter on 'What is Civics', the author takes up the problems of the syllabus and the method. The next three chapters deal with the problem of method in greater detail, dealing successively with each of the three stages in the child's growth—infancy, (upto the ages of 5), later childhood (from 6 to 11 or 12), and adolescence (from 12 to 17 or 18). The last three chapters treat briefly with the relation of civics to other subjects, the Civics Text-Book, and the Civics Teachers.

Prof. Haroliker writes well, and his views also are generally acceptable. One or two points however, seem to call for notice. In the first place, two slightly different views of Civics are enunciated in the book without being reconciled. At first, Civics is 'a comprehensive study of the whole range of activities and problems connected with life in a modern community' (p. 5); surely a tall enough order in itself! Elsewhere it is a 'training in citizenship' (p. 25), its object being 'to train children in the ways of civilized societies', and its test 'a practical test of the pupils' civic attainments' (p. 64). The two views are of course not irreconcilable, and in a book like this, they should have been reconciled. Then again, though the book is, as a whole, well written there are occasional lapses. Thus on pages 125 and 126, there occurs this sentence: 'And a text-book, if it in any way helps this process of assimilation... it will sufficiently justify its existence.' And on p. 130, we are told about supplementary books that *they* should be printed in large type suited to the ages of children for whom *it* is intended.

A list of books for further reading would also have impressed the usefulness of the books for the pupil-teachers for whom it is intended.

R. P. PATWARDHAN



INCIDENTS OF GANDHIJI'S LIFE. Edited By Chandrashanker Shukla. 1949 (Bombay: Vora and Co., Rs. 10-8).

FATEFUL YEAR By J. B. Kriplani. 1949. (Bombay: Vora and Co., Rs. 2/8).

GANDHIANA, A BIBLIOGRAPHY OF GANDHIAN LITERATURE.

Compiled By P. G. Deshpande 1948: (Allahabad Navjivan Publishing House, Rs. 3/4).

'Incidents' is a collection of happy recollections, musings and reminiscences contributed by fifty-four persons, who came into contact with Gandhiji at one stage or another during his life-time. These range from his days in South Africa upto the recent years. It is quite a 'family album', of a family which is as wide as the world itself.

Naturally enough, many of us are wont to disagree with his moral notions, his conception of future pattern of social order, his philosophy of capitalists as trustees of national wealth or his ideas of sexuality as a sin; yet no person could be at odds with his ever-smiling and genial facial expression.

To this day even, memories of this great man cling to us nostalgically. Indeed 'Incidents' are a good tribute that could be paid to the memory of Mahatma, the man.

We have been too near the events of the Gandhian era to look upon them in a true perspective. These contributors also share this defect. This book is in the nature of eulogy, so it tends to overlook weak spots in Mahatma's human personality. To a future historian this material may not prove so trustworthy. In this respect, Gandhiji's 'My Experiments with Truth' stands as a class apart in itself; in line with Rousseau's 'Confessions'.

Though this book under review is admirably edited, yet a fundamental point has been overlooked. Many a contributor has tried to lay undue stress on the political aspect rather than personal aspect of Gandhiji's personality. This was somewhat inevitable because there is no distinct dividing line between the political aspect and personal aspect of his life.

A second volume of 'Incidents' is over-due, before such memories are lost to us with the passage of time. It could contain reminiscences by Pandit Nehru, Sardar Patel, Devadas Gandhi and Rajagopalachari. Already we are poorer, in this respect, by the deaths of Sarojini Naidu, Mahadeva Desai and Tagore.

Fenner Brockway was lying ill in a hospital. It was Mahatma's silence day. He went to see Brockway as usual. 'I told him that I was not sleeping well at night owing to pain. He took my hand, and an extraordinary calm came over me. That night I slept without a drug for the first time.' B. D. Kalakar in a delightful manner tells us of his naughty childhood days under Babu's benevolent supervision, since the day 'when buttoning and unbuttoning my shirt was for me a complicated mechanical operation, too difficult for my manual skill!'

Madeline Rolland tells us of Gandhiji's visit to Romain Rolland in Switzerland. She relates everything in an unaffected, yet touching manner. For instance, she mentions the name of the Syndicate of Milkmen of Leman

who, even before Gandhiji's arrival, had phoned to express their desire to supply milk to the 'King of India.'

The *Fateful Year* is a collection of speeches and writings of J.B. Kriplani during the term of his Presidentship of Congress in 1947. He tells us, somewhat in a summary fashion, about the concept of non-violence, advantages of 'decentralized economy, and the immediate human consequences of the coming into being of Pakistan.

It is difficult to discover any unity of purpose in the book as a whole. Rather, it is a disjointed and incoherent collection of writings which have been strung together in a chronological order. He is both terse and sarcastic. His statements on post-partition mass communal riotings are candid, but they brink on the level of 'artlessness'.

A belaboured illusion has taken root in the mind of many of our political leaders that Gandhiji like the king would commit no wrong. Kriplani solemnly states: 'Even if I have differed from him, I have considered his political instinct more correct than my elaborately reasoned attitudes. Today, also I feel that he with his supreme fearlessness is correct and my stand is defective.'

He differentiates between socialism and Gandhism in the following terms: It is that Gandhiji holds that one's means should be as pure as one's ends are high. Gandhism can be compared to the *Laissez-faire* Doctrine. It puts its faith in the pious platitude that everything will be alright in this world, provided other things remain the same.

Acharya Kriplani is a fine exponent of Gandhism. To know something about his philosophy, one should turn to his *The Gandhian way* and *The Future of Congress*. A collection of selected speeches during his whole political career would have made a better and coherent reading.

*Gandhiana* is a multi-lingual bibliography of Gandhian literature. It lists a total number of 2,800 books about Gandhiji himself and his philosophy. It also includes those publications which have a direct or indirect bearing on his life and philosophy. The books are arranged language-wise and are classified under 14 main heads.

Though it is a commendable individual effort, yet it is not so exhaustive as it should be because of obvious reasons. The Gandhi Memorial Fund should, we suggest, sponsor a programme of collecting a comprehensive bibliography (including that of periodical writing) of Gandhian literature in all languages of the world.

GIRIJA KUMAR

ONE YEAR OF FREEDOM. By Dr. N.V. Rajkumar, 1948 (New Delhi: All India Congress Committee).

The book tells in simple words what the various Congress Governments have been doing for the common man since Freedom Day Last year (1947). Democratic Governments, resting as they do on public opinion, live and grow by publicity.

The plan followed in the book is, firstly, to review the work of the various Ministries of the Government of India and then of the nine provincial governments. A significant feature of the book is that each chapter is preceded by an inspiring message from the Prime Minister of India and the respective Premiers and is illustrated with their pictures as well as those of other Ministers of the central and provincial cabinets.

In spite of unhappy legacies, abnormal political conditions and the recurrent crises, the country has weathered the storm, with vigour and courage redoubled and faith renewed. Among the major achievements of the Government of India are: integration of the native states; establishment of diplomatic relations with principal countries and active participation in world councils; successful handling of the food and financial crises; the bright record of the Army and Air Force in Jammu and Kashmir; expansion of the Navy and Air Force and formation of the Territorial Army; schemes to develop agriculture, industry, commerce, education, health and the multi-purpose projects. The provincial governments have vied with one another in their endeavours to improve the lot of the common man, the farmer and the labourer, by concentrating on ambitious development projects; abolition of unjust systems of land-tenure; better agriculture and industry; liquidation of illiteracy and Grow More Food, Harijan Uplift and Prohibition drives. The food crisis and slender financial resources have been their major headaches.

The book, a useful chronicle of the activities of the popular Governments in the most crowded year, deserves to be read by everyone interested in their work.

D. D. KALIA

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## CONTRIBUTORS TO THIS ISSUE

SIR B. N. RAU is Constitutional Adviser to the Constituent Assembly of India.

DR. GIRIJA MOOKERJEE spent several years in Europe as a publicist; is Director of Surveys and Documents, Indian Council of World Affairs, New Delhi.

MR. MAX J. OLIVIER is the Chief Correspondent for India and the Far East of *France-Agence-Presse*.

DR. GYAN CHAND is a leading economist in India and was for several years Professor of Economics in Patna University; is author of *The Problem of population and Indian States and India's Economic Development*.

MR. V. S. SASTRY is European Editor, Indian Press Association and spent some months in Eastern Europe.

DR. HARNAM SINGH was Watumull Lecturer in International Relations, Georgetown University, Washington; is Lecturer in Law, Delhi University.

(MRS.) KAMALADEVI CHATTOPADHYAY is a well-known writer on international affairs.

MR. A. K. DAS GUPTA is Professor of Economics, Benares Hindu University, Benares.

DR. K. S. VENKATARAMAN is Professor of Economics at the College of Commerce, Baroda.

MR. R. J. INGLIS is Trade Commissioner for New Zealand in India.

MR. E. DA COSTA is Editor, *The Eastern Economist*, New Delhi.

DR. D. S. KOTHARI is Scientific Adviser to the Ministry of Defence, Government of India, New Delhi.

MR. K. V. GOPALASWAMY was for some time Private Secretary to the Agent of the Government of India in South Africa; is Registrar, Andhra University, Waltair.

DR. S. DUTT is Cultural Liaison Officer, Chinese Embassy in India, New Delhi.

MR. P. S. RAMANATHAN is Professor of Philosophy, Morris College, Nagpur.

MR. RAJ KUMAR GUPTA is Lecturer, College of Commerce, Delhi.

PROF. D. S. SARMA is author of *Hinduism*.

MR. S. GOPAL holds a Research Scholarship at Oxford University; is at present Lecturer in History, Andhra University, Waltair.

(MRS.) IRAWATI KARVE is Reader in Sociology, Deccan College Post-Graduate and Research Institute, Poona.

MR. N. K. BHOJWANI is a well-known economist; was formerly Principal and Professor of Economics of the B. A. A. College of Commerce and Economics, Karachi.

MR. V. BALASUBRAHMANYAN is Senior Assistant Editor, *The Eastern Economist*, New Delhi.

MR. K. VYASULU is Technical Officer, Indian Standards Institution, New Delhi.

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## THE INDIAN CONSTITUTION<sup>1</sup>

By B. N. RAU

FOR some time past, the Constituent Assembly of India has been actively engaged in settling the details of her new Constitution; decisions have already been taken on many important points; and indications are already available of the decisions likely to be taken on most of those that remain. This is therefore a convenient moment for reviewing the work done and for examining the salient features of the new Constitution that is gradually taking shape.

It is now nearly three years since the Constituent Assembly was first set up. The Assembly as then constituted was not a statutory body, its composition and functions being defined in a statement of May 1946, by the British Cabinet Mission despatched to India in that year. It was to consist of 389 members, representing all the Indian Provinces and Indian States, on the scale, approximately, of one member to every million of the population and it was to frame a Constitution providing for a Union of the whole of India, as it then stood, embracing all the Provinces and States, but dealing only with Foreign Affairs, Defence and Communications. On this basis the Assembly held its first sitting on 9 December 1946; but from the very beginning various difficulties arose which ultimately led to the passing by the British Parliament of the Indian Independence Act. This Act, which came into force on 15 August 1947, changed the entire basis of the Assembly's work. It partitioned India into two independent Dominions—India and Pakistan—and made a corresponding division of the Constituent Assembly, the members representing the Pakistan areas being formed into a separate Constituent Assembly for the Dominion of Pakistan while the remaining members formed the Constituent Assembly for the Dominion of India. Each of the Assemblies was, in effect, given power to make whatever Constitution it thought fit for its own territory. Each thus became a statutory body invested with plenary powers by an Act of Parliament which necessarily superseded the Cabinet Mission's Statement of May 1946. The Act also provided for adaptation of the Government of India Act, 1935, by way of supplying a provisional Constitution for each Dominion pending the completion of the work of its Constituent Assembly. We are here concerned with the work of the Constituent Assembly of India which is now in its final stages. In what follows, 'India' must be understood as meaning post-partition India and as excluding the Pakistan areas.

The draft of India's new Constitution, which is now under the consideration of the Constituent Assembly, is a long and detailed instrument comprising 315 articles and 8 Schedules. There is also a preamble, which recites that the people of India have solemnly resolved to constitute the country into a

<sup>1</sup> An address delivered in New Delhi on 10 August 1949 at a meeting of the Indian Council of World Affairs, with Dr. H.N. Kunzru in the chair.

sovereign democratic Republic and to secure to all its citizens justice, liberty, equality and fraternity. India is to be a Union of States and the head of the Union is to be an elected President in whom all executive power is to be vested. The precise manner in which he is to be elected and in which he is to exercise his powers will be dealt with more fully later; the point of immediate interest is how with a Constitution of this kind, which describes India as a sovereign Republic and vests all executive authority in an elected President without reserving any powers to His Majesty, India can remain a member of the Commonwealth, as she has decided to do.

The conception of the Commonwealth, never static, has developed considerably within the last decade. It will be remembered that in 1937, Ireland adopted a Constitution in which she was described as 'a sovereign independent democratic State' and in which there was no mention of the King; it was, in content, a republican Constitution. Nevertheless, His Majesty's Government announced that they were prepared to treat the new Constitution as not effecting a fundamental alteration in the position of Ireland as a member of the Commonwealth. The issue came before the courts in 1942, after the outbreak of World War II in which Ireland remained neutral, and even then the same view prevailed: in fact, one of the judgements described certain agreements of 1938 between the United Kingdom and Ireland as being no more than agreements between 'two sovereign members of the British Commonwealth.' Recent developments have somewhat changed this position: Ireland is no longer a member of the Commonwealth but is nevertheless not to be regarded as a foreign State. Dr. Berriedale Keith, writing in 1938, observed: 'If no place can be found in the British Commonwealth for Republics, then the enduring character of the Commonwealth may be doubted.' During World War II, when France was about to fall, she was in effect offered a place in the Commonwealth in spite of being a Republic. In the course of the debate in the House of Commons on the Indian Independence Bill on 15 July 1947, the member for Wood Green (Mr. Beverley Baxter) spoke of the Commonwealth as a living organism subject to constant change and compared it to a club which might have ordinary members, county members, week-end members and even foreign members. It is thus clear that the conception of the Commonwealth has been steadily expanding and the decision reached in April last that India will remain a member of the Commonwealth even after she becomes a Republic under her new Constitution need not cause any surprise. It merely marks the end of a process of evolution that has been going on for a number of years. In foreign countries, one is sometimes asked 'How is it that after struggling for so many years to free herself from British rule, India has voluntarily decided to remain within the Commonwealth? Why has India changed her mind?' The short answer to these questions is, 'It is not India that has changed: it is the Commonwealth that has changed'. Before 1947 the Commonwealth was, in Indian minds, synonymous with British rule; but since the passing of the Indian Independence Act in that year and the real and complete transfer of power to Indian hands that followed it, Indians have been feeling that the old ideas of British domination are dead

and that the Commonwealth is now a really free association of nations 'in no way subordinate one to another in any aspect of their domestic or external affairs'. Even the old names and labels are gradually changing: there is a growing tendency to refer to the Commonwealth as the Commonwealth of Nations instead of the British Commonwealth of Nations. Thus the London announcement of 28 April 1949 runs: 'Accordingly the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon hereby declare that they remain united as free and equal members of the Commonwealth of Nations freely co-operating in the pursuit of peace, liberty and progress'. Again, the same announcement avoids the use of the term 'Dominion', which contains a hint of domination, and it uses, instead, the colourless term 'Countries of the Commonwealth'. Equally significant is the provision in the British Nationality Act, which came into force on 1 January 1949 and according to which 'British subjects'—a name which suggests some kind of subjection to Britain—may in future be described as 'Commonwealth citizens.' All these indications, trivial though they may seem, are symptomatic of a profound change in the conception of the Commonwealth and that is why I said a moment ago that it was not India so much as the Commonwealth that had changed.

How is it possible to find room within the Commonwealth for a State with a republican Constitution? In a broadcast from Delhi on 7 February 1949, I referred to this question and ventured to say, without entering into details, that in my own view there was no insuperable difficulty here. The formula agreed upon at the London Conference may best be explained by an analogy. The various member States of the United Nations are completely sovereign and independent; yet they find it possible to recognize certain organizational authorities for the purpose of working together. In just the same way the members of the Commonwealth can, without impairing their sovereignty or independence in any way, recognize His Majesty as the Head of the Commonwealth association. The King is thus the symbol of free association for all members and not a link of subordination for any. Accordingly, the Government of India has declared and affirmed not only India's desire to remain within the Commonwealth but also 'her acceptance of the King as the symbol of free association of its independent member nations and as such the head of the Commonwealth.' The declaration thus preserves the dignity of the King without impairing India's sovereign status. As a matter of historic interest, it may be mentioned that in ancient India the Republic of the Licchavis was in partnership with the Gupta Empire in the time of Chandra Gupta I, the names of both being inscribed on the Imperial coins.

The new Union of India is a Federation consisting of a number of States and the 'territory' of the Andaman and Nicobar Islands. The term 'State' is used in the new Constitution to include what are at present known as the Provinces of British India as well as the Indian States. On 15 August 1947, when the Indian Independence Act came into force, there were in India nine Governors' Provinces, five Chief Commissioners' Provinces and over five hundred Indian States, large and small. The total population of the States



was roughly one-third that of the Provinces and their total area roughly two-thirds; they varied considerably in size, the smallest covering only a few acres of land. The Central Legislature in Delhi had plenary powers of legislation in respect of the Chief Commissioners' Provinces and considerable powers in respect of the Governors' Provinces, but none at all in respect of the Indian States. After the Indian Independence Act, which freed these States from His Majesty's suzerainty, their position was a source of anxiety to the new Dominion: not only was their number large, but their relationship to the Central authority was ambiguous and their internal government autocratic. Since that date, however, a great many of them have been integrated with Governors' Provinces and several others have been grouped together to form self-contained units; the number of Indian State units has thus been reduced to about a dozen. Almost all of them have now been linked to the Centre by instruments of accession executed by their Rulers and in most of them the beginnings of responsible government have been established. It is expected that under the new Constitution, there will not be much difference between the Indian States and the other units of the Indian Union. As this transformation has aroused a good deal of interest both in and outside India, a few words on this subject will not be out of place here.

The process began with what were known as the Orissa Feudatory States in the east of India, in regard to which the Attlee Sub-Committee of the Simon Commission had in 1930 recommended that, although not part of British India, these States 'should be brought into relationship with any administration set up for Orissa.' This was before Orissa had been made a separate Province. Subsequent committees of enquiry relating to the setting up of Orissa as a separate Province were all of the opinion that the problem of the Orissa States could not be divorced from that of the rest of the Province. The Rulers of these States appreciated the trend of events and in December 1947, they executed agreements in which they expressed their desire that the administration of the States should be integrated as early as possible with that of the Province of Orissa in such manner as the Government of the Dominion of India might think fit. They, accordingly, ceded all governmental powers in respect of the States to the Dominion Government with effect from 1 January 1948. Since then the administration of these States has been carried on by the Dominion Government through the agency of the Government of Orissa.

The process, once begun, spread rapidly, although the mode of integration necessarily differed in different parts of the country. Thus, in the west of India the Kathiawar group of States, instead of being integrated with any neighbouring British Indian Province, preferred to be grouped with one another to form what is now known as Saurashtra. In this type of merger the internal boundaries of the merging States disappeared but the composite State retained all the governmental powers of its components. By a subsequent instrument, however, the composite State through its Ruler (known as the Rajpramukh) ceded jurisdiction to the Dominion of India over a fairly wide range of subjects.

A third type of integration is to be found in the north of India in what is known as the Himachal Pradesh or the Himalayan Province. Here all the merging States have, like the Orissa States, ceded all governmental powers to the Dominion; but the Dominion Government administers them through a Chief Commissioner appointed by itself and not, as in the case of the Orissa States, through a neighbouring Provincial Government: the whole group is, in fact, administered as if it were a Chief Commissioner's Province.

After defining the territorial units of the Union the new Constitution proceeds to deal with citizenship. The provisions<sup>1</sup> relating to citizenship have not yet been passed by the Constituent Assembly. But according to the latest revised draft the position is briefly this: Any person who is domiciled in India when the Constitution comes into force and who possesses, in addition, *one* of the following qualifications, namely,

- (1) he or one of his parents must have been born in India, or
- (2) he must have resided in India for not less than 5 years immediately preceding the commencement of the Constitution,

is a citizen of India at the inception of the new Union. There are special provisions for excluding those who migrated to Pakistan after a certain date in 1947 and for including those who have migrated to India as well as for Indians overseas. The detailed provisions are too long to be reproduced here. The main points to remember are (a) that the Constitution is not a Nationality Act and cannot be expected to solve every single problem that might arise, (b) that all that it attempts to do is to lay down broad categories of persons who are to be citizens at the commencement of the Constitution, and (c) that, for the rest, power is reserved to the Parliament of the Union to make other or further provisions on the subject.

The next two Parts of the Constitution are concerned with fundamental rights and certain basic principles of State policy; they mark a striking departure from all previous enactments relating to the government of India. It will be remembered that the Simon Commission regarded the enunciation of fundamental rights in the Constitution as being of little practical value. The new Indian Constitution has, however, preferred to follow the example of the United States of America and to enact something corresponding to the American Bill of Rights although with certain necessary reservations. The rights can be enforced through the ordinary courts of law and, in the last resort, through the Supreme Court of the Union. There are the usual provisions regarding equality before the law, personal liberty, freedom of speech and expression, freedom of assembly and association, freedom of movement and freedom of religion. In what form the right of property should find a place in this part of the Constitution has not yet been decided. By far the most important of the fundamental rights in the new Constitution is contained in the provision which abolishes 'untouchability' and makes its practice in

<sup>1</sup> These have since been passed by the Constituent Assembly.

any form a crime. No one did more to rouse the social conscience on this subject, by word and deed, than Mahatma Gandhi and the 'untouchability' provision in the Constitution is the best tribute that India could pay to his memory.

Besides fundamental rights, the new Constitution contains a chapter on the allied subject of 'Directive Principles of State Policy.' Just as the chapter on fundamental rights sets out, broadly speaking, certain things which the State is prohibited from doing, such as discrimination, or the suppression of free speech, so, the chapter on directive principles sets out certain other things which the State ought to try to do, such as the provision of free primary education, of work, of maternity benefit and of public assistance in cases of unemployment, sickness or old age." These, however, are obviously matters which, unlike fundamental rights, cannot be enforced through the courts of law, so that the directive principles are really in the nature of moral precepts. Nevertheless, they have an educative value, and the practice of making constitutional declarations of this kind on social and economic policy is now becoming increasingly common.

Although it may be said that the new Indian Constitution has borrowed from external sources the idea of a Bill of Rights and of declarations of State Policy, it is worth while pointing out that these conceptions are not entirely foreign to India. The notion of a paramount law—which is at the root of all fundamental rights—has long been familiar in this country: indeed, one of the Upanishads (Circa, 800 B.C.) contains the celebrated passage which describes the law as 'the King of Kings,' and the coronation Oath prescribed for Kings in one of the epics (which existed almost in its present form in the 2nd century B.C.) ends with the promise 'Whatever law there is here, that I will unhesitatingly do; I will never be arbitrary'. The contents of the law were doubtless different in those ancient days from what we now understand as fundamental rights, but the basic conception of a law which even Kings could not alter and had to obey on pain of deposition was familiar in ancient India as early as the 2nd century B.C. Even as to directive principles of social policy we find in *Arthashastra* (4th century B.C. according to Indian scholars) the injunction 'The King shall provide the orphan, the dying, the afflicted and the helpless with maintenance. He shall also provide subsistence to helpless expectant mothers and also to the children they give birth to.'

Returning to the draft of the new Constitution, we have next the provisions relating to the machinery of government. As already indicated the new Union of India is, in spite of its name, a Federation, the various governmental powers, whether executive, legislative or judicial, being distributed between the Centre and the units of the Federal Union. The Federation is, however, of the Canadian type rather than of the American or Australian; for, the powers not allocated to the units belong, as in Canada, to the Centre, whereas in Australia and the United States of America the powers not granted to the Centre remain with the units. In another respect also the Indian Constitution resembles the Canadian for it contains provisions relating not only to the Constitution

of the Centre but also to the Constitution of the units, whereas Constitutions of Australia and of the United States of America hardly deal with the government of the States.

The executive head of the Union is a President elected by an electoral college consisting of all the elected members of the Central Legislature and of the various State Legislatures. The votes are weighted so as to secure that the voting strength of the Central Legislature shall be the same as that of all the State Legislatures put together. The President's term of office is five years, but he is eligible for re-election. He can be removed by impeachment for violation of the Constitution. At one stage there was a substantial body of opinion in the Constituent Assembly in favour of the American Presidential system of government, but the Assembly has now decided in favour of the British Parliamentary system. This is not surprising, for India has been familiar from ancient times with the idea of Kings acting on the advice of ministers and, occasionally, even changing ministers in response to the will of the people. The President is therefore to be a constitutional head acting on the advice of ministers responsible to the legislature. There is also a Vice-President who, as in the United States of America, is the ex-officio Chairman of the Upper House of the Central Legislature; but, when there is vacancy in the office of President the Vice-President officiates, not, as in the United States, for the remainder of the Presidential term, but only until the election of a new President. Unlike the President, the Vice-President is elected only by the members of the Central Legislature; since he is to act as President only for short periods, if at all, it was thought unnecessary to copy the Presidential mode of election. The Vice-President, like the President, is elected for a term of five years.

The entire executive authority of the Union is vested in the President and all executive action is expressed to be taken in his name, although he is required to exercise his powers on the advice of ministers. The choice of the ministry is governed by the same considerations as in England and the relations between the President and his ministers are much the same as between the King and his ministers. There is also an Attorney-General for India, but he is not a minister, although in practice, he will doubtless go out of office with the ministry.

There is a Parliament for the Union consisting of the President and of two Houses known respectively as the Council of States and the House of the People. The Council of States, or Upper House, consists of not more than 250 members, of whom 12 are to be nominated by the President for their special knowledge or experience of letters, art, science and social services, and the rest are to represent the different States or units of the Union. This representation is not in strict proportion to the population although it takes the population into account. To be precise, each State sends one representative for every million of the population for the first five millions, and one additional representative for every additional two millions: thus, a State with a population of 5 millions would send 5 representatives and a State with a population of 55 millions would send 30. The election is indirect: the representatives of

each State are to be elected by the elected members of the State Legislature if it is unicameral, and of the Lower House of the State Legislature if bicameral. The Council of States is a permanent body not liable to dissolution but as in the case of the Senate of the United States of America, one-third of the members have to retire every second year.

The House of the People consists of not more than 500 members: here the mode of election is direct, the members being elected by the voters of the States on the basis of adult suffrage. There is to be not less than one representative for every 750,000 of the population and not more than one representative for every 500,000; and the number of representatives allotted to each constituency is to be, as far as practicable, in direct proportion to its population. The figures of the 1941 census, never quite reliable, have been further upset in certain provinces by migrations from Pakistan in recent months; special provision is to be made to secure that the representation in the Legislature shall, as far as possible, be in accordance with the actual population and not the recorded figures of 1941. The normal life of the House of the People is five years.

In previous Constitutions (that is to say, the successive Government of India Acts passed by the Parliament of the United Kingdom) there used to be separate electorates for various minorities such as the Muslims, the Sikhs and the Indian Christians. This system has been done away with in the new Constitution; but seats have been reserved on the population basis for the Scheduled Castes and for certain aboriginal tribes known as the scheduled tribes. There is no special reservation of seats for Anglo-Indians, but the draft Constitution provides that if the President is of opinion that the Anglo-Indian community is not adequately represented in the House of the People, he may nominate not more than two members of the community to that House.

To prevent gerrymandering and other ways of manipulating elections, the draft Constitution provides that the superintendence, direction and control of all elections, (whether for the Central or the State Legislatures) including the appointment of election tribunals, shall be vested in a Commission to be appointed by the President. The intention is that the Commission should be a non-party body, and there is a provision for securing to the Chairman a tenure similar to that of the judges of the Supreme Court. This may be compared with the provision in the Canadian Dominion Elections Act, 1920, under which there is a Chief Electoral Officer to exercise general direction and supervision over the conduct of elections with a view to ensuring fairness and impartiality. He holds office on the same tenure as a judge of the Supreme Court of Canada.

This is a convenient place for mentioning certain other provisions for the protection of minorities contained in the new Constitution. There is to be a special officer appointed by the President whose function it will be to investigate all matters relating to the constitutional safeguards provided for minorities and to report periodically how they are working; and the reports have to be laid before Parliament. Under another provision the President may at any time, and must at the end of ten years from the commencement of the new

Constitution, appoint a Commission to report on the administration of the tribal areas and the welfare of the scheduled tribes. There is yet another provision under which the President may from time to time appoint a Commission to investigate the conditions of the backward classes and their difficulties and to make suitable recommendations on the subject. The President is required to cause a copy of the report together with a memorandum explaining the action taken thereon to be laid before Parliament.

The relations between the two Houses of Parliament under the new Constitution may now be briefly explained. Any Bill, except a Money Bill, may originate in either House, it is to be passed by both Houses and assented to by the President before it can become law. If there is a conflict between the two Houses, the President has to summon a joint session, and the Bill, with such amendments, if any, as are agreed to by a majority of the members of both Houses present and voting, is deemed to have been passed by both Houses. There is, however, a special procedure for Money Bills. A Money Bill can only be introduced in the House of the People and when passed by that House, it has to be transmitted to the Council of States to be returned with its recommendations within 14 days. If the House of the People does not accept any of the recommendations of the Council of States, it is deemed to have been passed by both Houses in the form in which it was passed by the House of the People. The annual budget is to be laid before both Houses of Parliament; but demands for grants are to be made only in the House of the People, which has power to assent, or to refuse assent, to any demand, or to assent to it with a reduction.

To turn now to the legislative powers of Parliament, the various subjects of legislation have been enumerated as exhaustively as possible in three Lists: List I or the Union List, List II or the State List, and List III or the Concurrent List. The Union Parliament has exclusive powers of legislation in respect of the subjects in List I; the State Legislatures have exclusive powers in respect of the subjects in List II; the powers in respect of the subjects in List III are concurrent, but any Union law on a subject in the Concurrent List overrides any State law on the same subject in the event of any conflict between the two. The Union List contains over 90 entries including such subjects as Defence, External Affairs, Citizenship, Posts and Telegraphs, Railways, Shipping, Airways, Broadcasting, and Atomic Energy; the State List contains a little under 70 entries and includes such subjects as Justice (excepting the Supreme Court), Police, Local Government, Agriculture, Public Health and Education; the Concurrent List contains a little under 40 entries and includes such subjects as Criminal Law, Criminal and Civil Procedure, Marriage and Divorce, Contracts, Trade Unions and Welfare of Labour. Any matter not enumerated in any of the three Lists is deemed to be in List I: in other words, what is known as the residuary power is allocated to the Centre. It is not possible to discuss within the limits of this talk the respective taxation powers of the Centre and the units or the distribution of the revenues of the country between them.

Although ordinarily the power of legislation at the Centre belongs to the Union Parliament, nevertheless when there are circumstances requiring

immediate action and Parliament is not in session, the President is given a limited power to make Ordinances. An Ordinance has the same effect as an Act of Parliament, but it is to be laid before both Houses as soon as Parliament meets, and it ceases to operate at the end of six weeks, from the meeting of Parliament or earlier if the Houses so determine. There is also a group of provisions in the draft Constitution relating to emergencies. If the President is satisfied that a grave emergency exists whereby the security of India is threatened whether by war, external aggression, or internal disturbance, he may make a Proclamation to that effect and thereupon, among other consequences, the Union Parliament is empowered to make laws even in respect of the matters enumerated in the State List.

Apart from the emergency-power mentioned in the last paragraph, the Union Parliament has power to legislate on a specified State subject

- (a) for a particular State, if the legislature of the State passes a resolution to that effect; or
- (b) for the whole of India, if the Council of States declares by a resolution supported by not less than two-thirds of the members present and voting that it is necessary or expedient in the national interest that Parliament should make such a law.

The second of these provisions has been necessitated by the consideration that a subject which is normally appropriate for State legislation may, in certain exceptional circumstances—e.g., the subject of Agriculture during a period of widespread agricultural depression over the whole of India—assume national importance requiring legislation on a national scale.

It may be mentioned in this connexion that under the new Constitution the power to make laws to implement treaties—for example, an International Convention relating to some aspect of public health—is with the Union Parliament, although the subject of the treaty may fall in the State List. This should obviate the difficulties that have been felt in recent years in Canada.

The Union is charged with the duty of protecting every State against external aggression and internal disturbance and of ensuring that the government of every State is carried on in accordance with the provisions of the Constitution. If the President on a request or otherwise is satisfied that a situation has arisen in which the administration of the State cannot be carried on in accordance with the normal provisions of the Constitution, the President may by Proclamation assume to himself all or any of the functions of the Government of the State and declare that the powers of the Legislature of the State shall be exercisable by or under the authority of Parliament. Any such Proclamation will require the approval of Parliament within two months from the date of issue of the Proclamation. No such Proclamation can be continued in force for more than six months without the further approval of Parliament. Nor can any Proclamation be continued in force for a period more than three years.

A few words on the machinery for the administration of Justice must bring this talk to a close. Although the new Constitution is of the Federal type,

there is not a double chain of courts, one to administer Federal Law and the other to administer State laws. All the courts in the country form a single hierarchy, at the head of which is the Supreme Court of the Union. Immediately below the Supreme Court are the various State High Courts and below them are the subordinate courts of each State. Every court in this chain will, subject to the usual pecuniary and local limits, administer the whole law of the country, whether made by the Parliament of the Union or by the State Legislatures. The Supreme Court has exclusive original jurisdiction in disputes between the Government of India and one or more States, or between two or more States *inter se*. In addition to this original jurisdiction, it has an appellate jurisdiction over the State High Courts in all cases involving questions of law as to the interpretation of the Constitution and in certain other types of cases. Broadly speaking, its appellate jurisdiction corresponds to that exercised by the Privy Council before the Indian Independence Act came into force. The Court is to consist of a Chief Justice and not less than seven other judges. Every judge is appointed by the President and holds office until he attains the age of 65 years. Certain statutory qualifications are laid down for the judges. A judge of the Supreme Court cannot be removed from office except by an order of the President passed after an address, supported by not less than two-thirds of the members present and voting, has been presented to the President by both Houses of Parliament in the same session asking for his removal on the ground of proved misbehaviour or incapacity. Misbehaviour or incapacity has to be proved in accordance with procedure prescribed by the Parliament of the Union by law. The salary of the judges is fixed by the Constitution itself. The administrative expenses of the court are charged upon the revenues of India. In all these ways the independence of the supreme judiciary has been sought to be secured. In addition to the ordinary and appellate jurisdiction already mentioned, the Supreme Court is clothed with a special jurisdiction for the enforcement of the fundamental rights guaranteed by the Constitution. It has also an advisory jurisdiction in that the President may refer to it any question of law or fact which he considers to be of such a nature and of such public importance that it is expedient to obtain the opinion of the Supreme Court thereon.

It is not possible within the limits of this talk to deal with the machinery of government prescribed for the various States and with the other matters included in the new Constitution. It is, as already pointed out, a long and detailed instrument, of which about a sixth still remains to be disposed of by the Constituent Assembly. It is hoped that the whole of it will be adopted in time to enable it to be brought into force on 26 January 1950; and the Assembly has already passed a resolution authorizing the preparation of electoral rolls in anticipation of a general election being held under the new Constitution some time in 1950.



## PEACE SETTLEMENTS IN EUROPE SINCE 1945

By GIRIJA MOOKERJEE

### I

DURING the horrible war years from 1939 to 1945, people all over the world had steadfastly believed that on the day an armistice would be signed, peace would descend on earth and life would once again be normal. This belief has proved to be false and even to-day, four years after the armistice, peace treaties with at least three belligerent countries remain to be signed and the shaky nature of the other treaties constantly comes into view.

Why are they so? Why is it that the establishment of permanent peace for which the World War II was fought and for which such sacrifices were made has not materialized? The answer is, as it is abundantly evident from nearly five years of haggling and bargaining among the victorious powers, that the first condition of peace is, in the first instance, the making of peace among the victors themselves. As at the time of the Conference of Paris in 1919, the chief hindrances to peace settlements are not the vanquished but the victors. And this, to the utter astonishment of the paralysed world, became obvious at the very first session of the Council of Foreign Ministers (C.F.M.) which met in London from 11 September to 2 October 1945, in order to give effect to the Potsdam decision regarding the signing of peace treaties. This Council had been brought into being by the U.S.S.R., the U.S.A. and the U.K. on 2 August 1945 by a communique issued simultaneously in Washington, Moscow and London and it was to consist of Foreign Ministers of the five principal powers for continuing the necessary preparatory work for peace settlements and 'to take up other matters which from time to time may be referred to the Council by the agreement of the Governments participating in the Council.' According to Article 2 (a), the Council was to meet normally in London, 'which shall be the permanent seat of the Joint Secretariat which the Council will form. Each of the Foreign Ministers will be accompanied by a high-ranking deputy, authorized to carry on the work of the Council in the absence of his Foreign Minister, and by a small staff of technical advisers.'

The first meeting of the Council was to be held in London not later than September 1945. By agreement, meetings might be held in other capitals from time to time. According to Article 3 (1) of this Declaration, the Council was given authority to draw up, with a view to submit later to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland and also to propose settlements of territorial questions. It was also further agreed at Potsdam that in the drafting of the above-mentioned five treaties, decisions would be taken only by the powers which had been signatories to the terms of surrender, except in the case of Italy, which was made a special case and France also was considered to be a signatory to the armistice with Italy. With regard to Germany, it was decided that the 'Council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the Government of Germany when a government adequate for the pur-

pose is established'. This in reality meant that four governments out of five composing the Council of Foreign Ministers were to prepare the terms of treaty with Italy, three governments out of five were to draft terms for Rumania, Bulgaria and Hungary and only two members of the Council of Foreign Ministers were to be responsible for making peace treaties with Finland. The question of a peace treaty with Germany was left vague and was to be tackled only in the future.

This was at Potsdam in July-August 1945. About two months later, when the Council met in London, already it was evident that the Allies were not unanimous even on a single issue. At the opening session of the Council in London on 11 September 1945, the former Potsdam decision was suddenly reversed, as it was decided that all the five Ministers would participate in the discussion of all the treaties and it was further agreed that all decisions of the session of the Council would be based on 'four-three-two' formula. But sensing the beginning of the formation of a bloc among the other four Foreign Ministers, the Soviet delegate M. Molotov declared after a few days that the Council should adhere strictly to the procedure envisaged in the Potsdam decision, maintaining thereby that the inclusion of France and China in the discussion of treaties on which they did not have deciding votes, was illegal in accordance with Potsdam Agreement. A compromise formula was eventually devised and the Council acceded to the Soviet demand by resolving that if the French and the Chinese delegates consented to this interpretation of the Potsdam decision, then the Soviet point of view should prevail. But M. Molotov afterwards insisted that the record of the Council's decision of 11 September should be rescinded and that the text of the Soviet formula should be substituted in its place. This was however not accepted by the other members of the Council, as a result of which the London Conference was adjourned *sine die* exposing, for the first time, the serious differences of opinion among the victors of the World War II. But substantial work was, nevertheless, done in so far as the Council authorized the Deputies of the Foreign Ministers, as envisaged in Article 2 (a) of Potsdam Agreement, first, to draw up an ethnic line for the frontier of Venezia Giulia and secondly, to report on an international régime for Trieste. The Soviet delegate had insisted in the Council meeting on the handing over of Trieste to Yugoslavia, while the U.K. and U.S.A. delegates were in favour of its return to Italy.

Three months later at Moscow (16 to 26 December 1945) a compromise formula was evolved, that is to say, the American formula with certain modifications with regard to 'four-three-two' formula was embodied in a protocol by the three Foreign Ministers who had met there not as the Council of Foreign Ministers, but to resolve the deadlock of the London Conference. As a result of this, the work of the Deputies was accelerated. They began their work in London in mid-January 1946 and according to the Moscow formula, the French Deputy took part in the discussion of the Italian treaty, whereas only the Soviet and British Deputies took part in the discussion of a treaty with Finland.

At the Paris Conference of the Council of Foreign Ministers in late April,

however, several steps were taken to hold eventually the Peace Conference. First, the Council agreed to hear in full sessions, the cases of each of the five defeated nations who, unlike at the Versailles Conference, were allowed freedom of personal access to the Allied delegations. Secondly, an agreement was reached with regard to Italian reparations to the Soviet Union (The Soviet Union had claimed \$100,000,000 in reparations from Italy, besides the individual trusteeship for Tripolitania). And thirdly, the Council recommended the establishment of five Political Commissions, one for each treaty; two Economic Commissions, one each for the Italian treaty and the Balkan and Finnish treaties; a Military Commission; and a Legal and Drafting Commission.

Although the Conference had some very outstanding achievements to its credit, yet the conflict among the victors with regard to the size of the Italian fleet (Russia being in favour of its complete disappearance), and with regard to the Yugoslav claim of South Tyrol remained unsolved and there was no reconciliation whatsoever between British, American and Russian points of view with regard to them. The American Secretary of State, Mr. Byrnes, submitted a proposal on 29 April, for the demilitarization of Germany in order to resolve the deadlock but it was not seriously considered by the Conference and the Conference was afterwards adjourned until 15 June 1946.

At the second Paris meeting and the third meeting of the Council of Foreign Ministers, a better atmosphere prevailed and an agreement on Trieste was reached rather quickly. The Soviet Foreign Minister also accepted the cession of the Dodecanese Islands to Greece without much opposition and the rectification of French frontiers with Italy with regard to the villages of Briga and Tenda was also agreed to. The quarrel centred for a long time round the question of Italian Colonies but the Soviet Union agreed eventually to the postponement of the question for a year after which the General Peace Conference of twenty one States who had made military contribution to the defeat of the Axis powers, was agreed upon.

## II

The General Peace Conference<sup>1</sup> met afterwards in Paris on 29 July 1946 to deliberate on the draft treaties prepared by the Council of Foreign Ministers but as the Council did not bind itself to abide by the resolutions passed by the Conference or to accept any amendments voted by the Conference, it felt itself greatly limited in its scope from the very beginning. Its rôle as a peace-making body was somewhat strengthened by the statement made by Mr. Byrnes in the course of the debate to the effect that he would support in the Council any recommendations made by the Conference with a two-thirds majority, even if they were contrary to the vote of the American delegation in the Conference.

The Conference lasted from 29 July to 15 October 1946 and it considered drafts of peace treaties with Italy, Rumania, Bulgaria, Hungary and Finland. Its authority remained still limited as from the outset the Big Four

<sup>1</sup> *Paris Peace Conference 1946—selected Documents*, Department of State Publication 2863. (Washington.)

Ministers made it a point to vote for the decision which they had already taken in the Council. This arose from the fact that at Potsdam (July-August 1945) the task of preparing the five treaties for submission to the United Nations was entrusted to the Council of Foreign Ministers but it was later agreed as a sort of concession, that those powers who were signatories to the terms of surrender should also participate, in some form or other, in the formulation of these treaties.

When the Conference closed its sessions it made a long series of recommendations to the Council of Foreign Ministers some of which had been carried by two-thirds majority and others by a simple majority. In the beginning it was hoped that the Council of Foreign Ministers would deliberate on the recommendations on the spot but for various reasons the meeting was not held and the recommendations were put off to be discussed at a further meeting of the Council on 4 November to 12 December 1946, in New York. At the New York Conference for nearly three weeks, the same old quarrel made its appearance but afterwards the French compromise formula on Trieste, accepted by the Peace Conference by 15 to 6 votes, was agreed to with some modifications. It was then decided to form (a) a free territory of Trieste whose integrity and independence would be guaranteed by the Security Council through the appointment of a governor with powers to propose legislation or to postpone the enforcement of legislation pending its approval by the Council (b) a free customs zone and (c) a popular assembly elected on the basis of proportionate representation by universal, direct, equal and secret suffrage which would create a Council of government responsible to it.

This solution having been agreed to, other difficulties proved to be less serious and the Council of Foreign Ministers drafted the final details of the Bulgarian, Hungarian, Rumanian and Finnish treaties and also agreed as to the total for Italian reparations. The question of freedom of navigation on the Danube was also discussed and the Soviet delegation agreed in principle on the question of such freedom.

### III

In spite of the limitation set on the Paris Peace Conference its achievement was nonetheless very impressive. It becomes clear when one realizes that the subjects regarding the treaties on which no agreement could be arrived at were considerable and when the Paris Conference met, it had the following unsolved problems before it.

With regard to the Italian Treaty,<sup>1</sup> the Conference had to discuss (1) delimitation of frontiers of Italy, Yugoslavia and free territory of Trieste, (2) U. S. proposal for demarcation of free territory of Trieste, (3) civic rights in Ceded Territories, (4) Status of Trieste, (5) distribution of surplus units of Italian fleet, (6) reparations—for States other than the USSR, (7) United Nations property in Italy, (8) Italian property in the territory of Allied and Associated Powers, (9) general economic relations, (10) settlement of dis-

<sup>1</sup> *Op. Cit*—pp. 37-39.

putes, (11) interpretation of treaties, (12) economic and financial provisions relating to Ceded Territories, (13) transfer of Head Offices, (14) special provisions relating to certain kinds of property, (15) contracts, prescriptions and negotiable instruments and (16) judgements.

With regard to the Rumanian Treaty, the Conference had to tackle in addition to points 1 to 10, such thorny problems as: (1) Rumanian property in Germany, (2) general economic relations, (3) clauses relating to Danube and (4) special provisions relating to certain kinds of property.

In discussing the Bulgarian Treaty, the Conference had to take into consideration all the points from 1 to 10 in the Italian Treaty as well as (1) agreement upon the frontiers of Bulgaria existing on 1 January 1941, (2) reparations, (3) Bulgarian property in the territory of the Allied and Associated Powers.

Finally, regarding the Hungarian Treaty, the Conference discussed all the points one by one, which they had considered in making recommendations on Italian Treaty and had then to debate upon (1) frontiers of Hungary and Czechoslovakia and (2) reparations.

It is, however, interesting to mention in this connexion that the Council of Foreign Ministers accepted on the majority of issues the recommendations of the Paris Peace Conference, so much so that Mr. Byrnes stated on 4 March 1947, before the Senate Committee on Foreign Relations that out of 53 recommendations which the Paris Conference had adopted at least by a two-thirds majority, 47 were incorporated with little or no change in wording in the final texts of treaties. He further added that out of 41 recommendations adopted by the Paris Conference by a majority of less than two-thirds, 24 eventually appeared in the final wording.

Among the participating countries, India's part both in the general discussion and at the Committee stages was very slight for India at that time was not represented at the Conference by the delegates of a popular government. Nevertheless, on two occasions during the discussion of a treaty with Italy, the representative of the Government of India Mr. Samuel Ranganadhan intervened and offered suggestions. At the Plenary Session of the Conference on 22 August 1946, he expressed the wish that the Egyptian request for territorial modifications should be acceded to and that Libya should be granted independence<sup>1</sup>. Again at the Plenary Session of the Conference on 9 October 1946, he supported the Chinese amendment with regard to Libya and said that the people of Africa should be assured their freedom and the possibility of choosing their own form of government. He supported the Council of Foreign Ministers' recommendations with regard to Yugoslav-Italian frontier and recalled that India had made no reparation demand on Italy but that the Indian Delegation would support an increase in the amount of reparations recommended for Ethiopia.<sup>2</sup>

All the treaties were later signed in Paris on 10 February 1947, by the re-

<sup>1</sup> *Paris Peace Conference—1946: Selected Documents*, Department of State Publication 2868, p. 402.

<sup>2</sup> *Ibid*, p. 606.

representatives of 21 States which had taken part in the Paris Peace Conference and by the representatives of the ex-enemy States. The United States ratified the treaties with Italy, Rumania, Bulgaria and Hungary on 14 June 1947.<sup>1</sup>

#### IV

After this, the treaty-making came almost to an end and although the Council of Foreign Ministers held several sessions they were more for recording disagreements than for arriving at a solution of the problem of Germany and Austria which were the next subjects on the agenda of the C.F.M. The Council, however, held its session in Moscow from 10 March to 24 April 1947, but no agreement whatsoever was reached on the six subjects tabled for discussion. They were: (1) consideration of the report on Control Council in Germany, (2) the form and scope of the provisional organization of Germany, (3) the preparation of the peace treaty with Germany, (4) American scheme of a four-power treaty for German disarmament and demilitarization, (5) the report on Ruhr coal and (6) the peace treaty with Austria. In addition to these six subjects Mr. Marshall, the United States Secretary had put forward a scheme of limitation of occupation forces in Europe.

The discussion did not make much progress because, while the Soviet Union proposed a strong, undivided and centralized German Government, the United States, the United Kingdom and France opposed such a scheme because of the future threat to peace which such a Central German Government might constitute. Regarding the economic future of Germany also, there was a sharp difference of opinion. Neither the U.S. nor the U.K. wanted that German economy should be capable of producing 12 million tons of steel per year whereas the Soviet Union favoured that quantity. There were also disagreements regarding (a) the future frontiers of Germany, (b) the rôle of smaller nations in shaping the peace treaty, (c) the Ruhr coal allocation and (d) Mr. Marshall's proposals regarding a four-power treaty. Some progress however was made on the Austrian treaty and it was agreed that the Deputies of the Foreign Ministers would try to come to a settlement regarding (a) Soviet claim of \$150 million reparations from Austria, (b) the cession of Corinthia to Yugoslavia and (c) a precise definition of German assets in Austria.

Having realized that the discussion of a German treaty cannot be pursued further, the Council of Foreign Ministers appointed an Austrian Treaty Commission at Moscow on 24 April 1947. It was to be composed of representatives of the Soviet Union, the U.K., the U.S.A., and France and was charged with the examination of all disagreed questions of the Austrian Treaty. The aim of the Commission was defined as to 'coordinate the points of view of the Allied Governments represented on it.' The Commission was to sit in Vienna where it held some thirty-nine sessions mostly devoted to procedural matters. After the twenty-first meeting, its proceedings were no longer made public.

The Treaties of Peace with Italy, Rumania, Bulgaria and Hungary were signed by an Indian representative in Paris on 10 February 1947. The Instruments of Ratification regarding these Treaties were signed on 21 July 1947 by Lord Mountbatten as India was under British occupation at that time. They were, however, discussed and ratified by both Houses of the Central Legislature of India on 9 and 10 April 1947.

but it was known that the disagreements arose mainly on questions like (a) commitments to respect Austrian independence, (b) provisions for displaced persons, (c) restrictions on Austria's military potentialities, (d) cession of Southern Corinthia to Yugoslavia and (e) payment of reparations to Yugoslavia. The quarrel over procedural matters revolved round the question of terms of reference and the procedure to be followed in the deliberations of the two Commissions.<sup>1</sup> The disagreement regarding other subjects was mainly about the definition of German assets, the Austrian oil industry, the Danube shipping and Austria's financial institutions. But as the Commission was not empowered to reach any final decisions and as it could only report an agreed solution to the C.F.M., its sessions went on without interruption.

In the meantime a Four-Power Fact-finding Commission composed of representatives of the U.S.A., the U.K., France and the Soviet Union, and in accordance with Article 23 of the Treaty of Peace with Italy, held meetings during December 1947 in Asmara (Eritrea) to prepare a report for the Council of Foreign Ministers' Deputies on the disposition of the Italian Colonies.

At the fifth session of the Council of Foreign Ministers which met in London from 25 November to 15 December 1947, the old arguments appeared again. The question of economic and political unity of Germany was discussed and so also the level of Germany's reparation payments. The main difference centred round the fact that M. Molotov proposed that the Council should consider firstly, the formation of an all-German Government, secondly, the peace Conference for signing a treaty with that Government and thirdly the directives for the treaty itself. The U.S.A. delegation on the other hand put forward the five following points as pre-requisites to German unification. They were: (1) elimination of artificial zones to permit free movement of persons, ideas and goods throughout Germany, (2) relinquishment by the occupying powers of ownership of property seized under guise of reparations without four-power agreement, (3) currency reform, (4) definite determination of economic burdens to be placed upon Germany in the future including occupation costs, repayment of sums advanced by occupying powers, and reparations, (5) an over-all export-import plan for the whole of Germany. M. Molotov on the other hand evoked the Potsdam agreement on several occasions and pointed out that a peace treaty with a German Government was envisaged at Potsdam and that such a Government should precede any other decisions on Germany.

M. Molotov further accused the United States and the U.K. of an attempt to establish a separate West German State in violation of the Moscow Agreement. He also considered the fusion of American and British zones of Germany as contrary to four-power agreement and insisted that the German Cartels and Trusts should be transferred to State ownership and that Russia should be paid 10 billion dollars in reparation by Germany. The British and the United States delegations took particular objection to Molotov's interpretation

<sup>1</sup> At the opening session another Committee called the 'Committee of Experts' was appointed by the Commission.

of the fusion of British and American zones and they affirmed that the Soviet removals from eastern Germany amounted to 500 million dollars a year and demanded that no capital equipment should be removed after 1 January 1948. Mr. Marshall, the U. S. Secretary of State, also said that the Russians were buying up German businesses in their zone and that the U.S.A. could not accept that reparation payments should be made from current production. M. Molotov in reply affirmed that the U.S.A. had acquired business interests in many German concerns and that the U.S.A. had realized enormous profits on exports of coal and timber from their zone.

It was the most acrimonious meeting of the Council of Foreign Ministers and also the most important as, after this session, the Western powers came to the conclusion that agreement with the Soviet Union on Germany would not be realized soon, and therefore they made up their mind to organize the parts of Germany under their control and to set up, if necessary, a West German Government, even if it meant that the division of Germany had to be perpetuated for a long time. The Council was adjourned on 15 December 1947, without recording any agreement and without fixing a date for the next session.

## V

After the failure of the London Conference of the Council of Foreign Ministers and due to the worsening of relations between the Western powers and the Soviet Union, as a result of the virtual suppression of the Control Council of 20 March 1948, steps were taken to create a West German Government and consequently German representatives were permitted to meet at Bonn on 1 September 1948, in order to frame a Constitution of the 11 German provinces<sup>1</sup> in the Western Zone. After much discussion the Constitution was finally adopted by 53 votes to 12 and proclaimed on 23 May 1949.

In the meantime, the relations between the Western powers and the Soviet Union became extremely tense over the question of rail traffic to Berlin and the Soviet authorities put a ban on all traffic to Berlin from the Western Zone on 21 June 1948, making Berlin inaccessible to the Western powers except by air. The U.S.A. Army in Germany in co-operation with the British forces organized an 'Air Lift' in order to provide the population of Berlin with food and essential necessities of life. Several attempts were made on a higher level to lift the blockade and eventually after many unsuccessful attempts, the Council of Foreign Ministers was convened in Paris on 23 May 1949, which after much discussion issued a Joint Communiqué accepting more or less the existing state of affairs in Germany, but at the same time maintaining a four-power character of the approach to Germany. This was most evident in Clause 6 of the Communiqué which ran as follows:—

'The Governments of France, the Union of Soviet Socialist Republics, the United Kingdom and the United States agree that the New York Agreement of 4 May 1949, shall be maintained. Moreover, in order to promote further the aims set forth in the preceding paragraphs and in

<sup>1</sup> These eleven German provinces or 'Laender' are—Baden, Bavaria, Bremen, Hamburg Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Schleswig-Holstein, Wuertemberg-Baden and Wuertemberg-Hohenzollern.



order to improve and supplement this and other arrangements and agreements as regards the movements of persons and goods and communications between the Eastern Zone and the Western Zones, and between the zones and Berlin, and also in regard to transit, the occupation authorities, each in his own zone, will have an obligation to take the measures necessary to ensure the normal functioning and utilization of rail, water and road transport for such movement of persons and goods, and such communications by post, telephone, and telegraph.

The situation with regard to Germany can thus be called a stalemate, for although a Western German State is slowly coming into being yet neither the character of this State nor the power it possesses makes one think that a true German State is really evolving. The Government recently formed by Dr. Adenauer of the Christian Democratic Party after the General Election of 14 August 1948, does not possess any of the attributes of a sovereign State and it is very doubtful whether juristically speaking a German State exists at all after the unconditional surrender to the Allies by the German High Command on 7 May 1945. In spite of the Communiqué of the F.C.M. of 28 May 1949, it is not yet clear whether Germany is a State, a Condominium or a Co-imperium. Prof. Hans Kelsen, the famous jurist in an article in the *American Journal of International Law* affirmed some-time ago that Germany had become legally a Condominium of the victorious powers.<sup>1</sup> On the other hand, Dr. F.A. Mann discussing the legal status of Germany after the War, has affirmed in a speech before the Grotius Society of London in March 1947 that although Germany has ceased to be an independent sovereign State in the sense of international law, yet it continues to be a State. According to him, the four occupying powers have assumed only 'governmental sovereignty' 'with respect to Germany' but not 'territorial sovereignty over Germany as a whole.' He therefore defines Germany's status at present as being under 'belligerent occupation.' On the other hand, Dr. Eberhard Menzel of the University of Hamburg<sup>2</sup> distinguishes between the two schools of thought and points out that according to the Continental-European school of international law it is by 'annexation' or 'cession' that a State loses its statehood. And since Germany has not been annexed and since on the contrary, according to the Potsdam agreement, German unity has been declared to be the aim of occupation, it follows, therefore, that German sovereignty has only been 'suspended' but not destroyed. Discussing the Anglo-Saxon school of thought Dr. Menzel points out that according to it, 'conquest' should be followed by 'subjugation' in order to deprive a defeated State of its sovereignty; and since the conquerors have no wish to 'subjugate' the German people, the theory advanced by Professor Kelsen does not hold good. He therefore concludes:

<sup>1</sup> *American Journal of International Law*.—Vol. 39 (July 1945) 'The Legal Status of Germany According to the Declaration of Berlin.'

<sup>2</sup> *Deutschland—Ein Kondominium Oder Koimperium?—Jahrbuch furr Internationales und Auslandsches Offent Recht*—(Hamburg 1948) Pp. 43-86.

<sup>3</sup> *Ibid.* p. 60

Deutschland Kann nicht als Kondominium der Siegermächte bezeichnet werden. Eine eigene Kondominalstaatsgewalt der Alliierten ist nicht errichtet worden, sie bezeichnen sich weiterhin als Besatzungsmächte und ihre politischen Leitstellen als "Military Government"..... Angesehen von allen anderen Schwächen der Kondominalthese—der von ihr vorausgesetzte Untergang des bisherigen deutschen Staates ist nicht erfolgt und die angeführten angeblichen Präzedenzfälle stellen gerade keine Parallelen dar—kann schon aus diesem Grunde nicht von einem Kondominium der Siegermächte in Deutschland, sondern nur davon gesprochen werden, das diese über das deutsche Gebiet und die deutsche Bevölkerung ein vorübergehendes Koimperium ausüben.<sup>1</sup>

In other words, according to German opinion the utmost that can be said about the present status of Germany is that of a 'Co-imperium' but it is all the same not clear whether this interpretation will facilitate the signing of a treaty with that country. It was expected in all quarters soon after the War that the Allied Powers would eventuate a treaty with Germany first, as Germany was the principal belligerent of World War II. This has not been done and the latest developments in that country indicate that no peace treaty will be signed with a German Government in the near future. As a protest against the creation of a West Germany State, the Soviet Union is likely to sanction the creation of an East German State thus making it impossible at least for some-time to implement the Potsdam decision on Germany.

## VI

Although as yet no substantial advance has been made with regard to a Treaty of Peace with Germany, Austria, however, has fared slightly better in spite of many recriminations among the Deputies of the Foreign Ministers in the Treaty Commission. It was, perhaps, because Austria's case was treated separately, for Austria was considered by the Allied Powers as *pays ami*'. At the meeting of the Council of Foreign Ministers in London, the Austrian question was discussed again on 4-5 December 1947 in order to remove the deadlock which had arisen in the Treaty Commission since mid-October 1947, over the question of German assets. No agreement of any kind was, however, reached in London, but on 24 January 1948, the Soviet Union communicated detailed proposals to the Permanent Secretary of the Council of Foreign Ministers, whereupon, Secretary Marshall proposed that the Foreign Ministers' Deputies should meet in London again in order to carry on the work of drafting a treaty with Austria. The Soviet proposals were somewhat modified this time and consisted of demands (1) for concession rights to two-thirds of current oil production and two-thirds of the exploitation privileges in oil areas for 25 years, (2) the possession of oil refineries capable of an annual output of 450,000 tons of crude oil (3) possession of all assets of the Danube Shipping Company located in Hungary, Bulgaria, Rumania, and Austria, (4) payment of 200 million dollars in U.S. currency by Austria to the Soviet Union and undetermined amounts to the other three powers, (5) trans-

<sup>1</sup> *Ibid.* p. 76.

fer of such assets to the Soviet Union subject to alienation only with the consent of the Soviet Union, and free from obligations accrued prior to Soviet possession, and (6) settlement of disputes arising in connexion with the application of treaty provisions relating to German assets on a bilateral basis between Austria and the Soviet Union.

The Deputies met in London on 20 February 1948 to consider these proposals, but at the very outset, the U.S. representative expressed his inability to accept Soviet demand and he was supported by the French and the British delegates. The Soviet Deputy, later, on 5 April 1948, submitted revised proposals containing claims for exploitation rights on oil production from 66  $\frac{2}{3}$ % to 60%. He also agreed to a figure of 425,000 tons capacity for refining facilities and withdrew his demand for 25 % of the assets of the Danube Shipping Company in Austria, in exchange of 100% of Austrian properties in the Soviet zone and in Hungary, Rumania and Bulgaria. Reparation claims were also reduced to 150 million dollars. The Deputies of the Western powers found it impossible to accept even these reduced demands, whereupon, the Soviet Deputy raised the question of the future frontiers of Austria and maintained that unless the fundamental question of German assets in Austria was settled, the discussion was bound to be futile. Eventually, the Conference of the Deputies broke down on 6 May 1948, when the Deputies of the Western powers refused to consider a demand by Yugoslavia for 788 square miles of territory in Corinthia and Styria and 150 million dollars in reparations. The failure of the Deputies was reported later to the Secretary-General of the C.F.M., on 24 May 1948, but on the receipt of a note by the Austrian Federal Government on 6 December 1948 regarding Austria's anxiety for the conclusion of the treaty, all the four powers agreed to convene the Deputies' Conference again and consequently it met on 9 February 1949 in London. In the meantime, a draft treaty had been prepared by the Deputies and of the proposed 54 clauses, agreement was reached on 39. The dispute regarding Yugoslavia's claim to Austrian territory went on for a week, after which the Deputies agreed to give a hearing to the representatives of Yugoslav and Austrian Governments. The Yugoslavs presented on 7 March 1949, a written statement repeating their claims in a somewhat modified form, but the Austrian representative stated that no rectification of frontiers would be acceptable to his Government but that the Austrian Government would give special guarantees to all minority groups within the country. The Deputies of the Western powers supported generally the Austrian point of view while the Soviet Deputy lent his support to the Yugoslav demand. On the question of German assets in Austria, differences were not ironed out either and although the Western powers suggested that the question should be referred to a special committee for solution, the Soviet Deputy insisted upon 'agreement in principle' first, on all questions relating to German assets, before there was any discussion of specific questions.

The position remained at this stage until the Council of Foreign Ministers clarified the situation by issuing the following Joint Communiqué on 21 May 1949, after considering the problem in the Paris session of the Council:—

## (A)

That Austria's frontiers shall be those of 1 January 1938.

## (B)

That the treaty for Austria shall provide that Austria shall guarantee to protect the rights of the Slovene and Croat minorities in Austria.

## (C)

That reparations shall not be exacted from Austria but that Yugoslavia shall have the right to seize, retain or liquidate Austrian property, rights and interests within Yugoslav territory.

## (D)

That the Soviet Union shall receive from Austria £ 150,000,000 in freely convertible currency, to be paid in six years.

## (E)

That the definitive settlement shall include :

1. The relinquishment to Austria of all property rights or interests held or claimed as German assets and of war industrial enterprises, houses and immovable property in Austria held or claimed as war booty on the understanding that the Deputies will be instructed to define more accurately the categories of war booty transferred to Austria—with the exception of those oil assets and D.D.S.G.—Danube Shipping Company—properties transferred to the Soviet Union under other paragraphs of Article 35 of the treaty, indicated in the U.S.S.R. proposals of 24 January 1948, as revised, and retained in general under Austrian jurisdiction. Accordingly, the assets of the D.D.S.G. in Bulgaria, Hungary and Rumania as well as 100% of the assets of the company in Eastern Austria, in accordance with a list to be agreed upon by the Deputies, will be transferred to the U.S.S.R.

2. That the rights, properties and interests transferred to the U.S.S.R. as well as the rights, properties and interests which the U.S.S.R. cedes to Austria shall be transferred without any charges or claims on the part of Austria. At the same time it is understood that the words 'charges or claims' mean, not only creditor claims arising out of the exercise of the Allied control of these rights, properties, and interests after 8 May 1945, but also all other claims including claims in respect of taxes. It is also understood that the reciprocal *waivers* by the U.S.S.R. and Austria of charges and claims as exist on the date when Austria formalizes the rights of the U.S.S.R. to the German assets transferred to it and on the date of the actual transfer to Austria of the assets ceded by the U.S.S.R.

## VII

Thus, four years after the first session of the Council of Foreign Ministers, the main task with which it was entrusted remains unfulfilled. Even the agreement on Trieste has been largely nullified by the joint statement issued by the Governments of the United States, the United Kingdom and France on 20 March 1948, in which they proposed that the Free Territory of Trieste should be returned to Italian sovereignty because according to them, Italy was capable of guaranteeing 'the preservation of the basic rights and interests of the people

of the Free Territory.' Another argument advanced by the Western powers in this connexion was that the Security Council was unable to agree upon a Governor of the Territory and maintained that Yugoslavia had taken measures in the Territory which had made it impossible for them to make the region an independent and democratic area. The Soviet Union having failed to reply to this note, another note containing proposals for a Conference in Paris on this subject was sent to the Soviet Government by the Western Powers on 9 April 1948. In reply to this note, the Soviet Union contended that the return of Trieste to Italian sovereignty would involve an alteration in the Treaty of Peace with Italy, which can only be done by the twenty one States who were signatories to this Treaty. The Soviet Union also contended that the transfer of Trieste to Italy by 'correspondence or by convening private Conferences' would amount to the violation of the elementary principles of democracy. To this reply, a third note on 16 April 1948, and a fourth note on 1 June 1948, were delivered to the Soviet Union by the United States, the United Kingdom and France but as no reply was forthcoming the British and the American military authorities in Trieste, without consulting the Soviet Union, reinforced on 29 June 1948 all road blocks on the frontier of the Zone of the Free Territory of Trieste occupied by Yugoslav troops.

A similar deadlock was created in the Danubian Conference, opened on 30 July 1948 at Belgrade, in which the participants were the governments of France, the U.K., the U.S.S.R., the U.S.A., Yugoslavia, Czechoslovakia, Bulgaria, Hungary, Rumania and the Ukrainian Republic. Austrian Government was allowed to send only an observer. The dispute centred round the attempt of the Soviet Union to repudiate the Danubian Convention of 1921 and the Soviet refusal to allow Austria full voting rights. Having failed to obtain satisfaction at the Conference on the draft Convention submitted by Mr. Vyshinsky, the representatives of France, the United Kingdom and the United States declared at the final plenary session of the Conference that they would not sign the Pact which the Conference had drafted. The Convention was, however, adopted in spite of non-participation of the representatives of Western powers and the Conference was closed on 18 August 1949.

We, therefore, see that at the end of 1949 all the major problems which faced the victorious powers in May 1945 have remained unresolved and even the Treaties of Peace with Bulgaria, Hungary and Rumania<sup>1</sup> have lost much of their significance because of the dependence of these countries on the Soviet Union. Although diplomatic relations are still maintained by the Western powers with these countries, yet they cannot be called normal relations, for the unfriendly acts between them are numerous and continuous. Much hope was set on the meeting of the Council of Foreign Ministers in Paris but judging from the non-committal nature of the Communique issued by the Foreign Ministers it cannot be said that advance has been made towards peace settlements in Europe. The failure of the victorious powers to ease the tension in Europe has been attributed to many reasons, one of which is, as so aptly pointed

<sup>1</sup> The case of Finland is, however, quite different.

out by Harold Nicolson in a series of articles, the employment of 'open diplomacy' in solving knotty international problems. Recently the victorious powers have reverted to negotiations by ordinary diplomatic channels and the partial success of the Paris Conference is attributed to the spade work done by the diplomats behind the scenes, but whether this method will produce the desired result and whether the Powers will take resort to this method again, is not known. It is however certain that unless the victorious powers succeed and succeed soon in creating peaceful conditions in Europe, the peace of the world would be seriously threatened and it would be very difficult to avoid the outbreak of another war in the near future.

## FRENCH POLITICS SINCE LIBERATION

By MAX J. OLIVIER

FRENCH politics since the liberation is an extremely wide subject. It could be approached from several angles, and it is almost impossible to review in short, the tremendous events in French history, represented by the years of 1945-49. First of all, let us remember that the end of the Second World War represented one of the most significant changes for the whole world. In the old time that is to say, before the World War II—historians used to say that history was composed of landmarks and turning points. They also used to add that these landmarks and turning points were only visible after they had happened or taken place. But since 1939, we had the privilege of seeing and feeling the making of history itself.

Coming to the general tendencies of French political life since the liberation of France from enemy occupation let me at first say a few words about my country's past, as France is so little known in this part of the world. There is in this country, a common tendency, (quite understandable after almost 200 years of foreign influence) to confuse the 'Western World' with the 'British World'. For example, I was amazed, when on my arrival in India, over a couple of years ago, I was asked by Indian friends whether English was the medium of instruction in France. I was also very surprised, when a well-known correspondent of an English language Indian paper asked me if there were also 'vernacular' newspapers in France. He confessed later on that he thought the big French newspapers were all written in English. I was not less surprised once to hear a high Government official mentioning the fourteenth of July—the French National Day, and the anniversary of the Fall of the Bastille, the symbol of despotism—as the French 'Independence Day'—i.e., freedom from British rule.

It is, therefore, necessary to mention here that France has been an independent country since the Roman occupation, 2,000 years ago, and that it is a land of deep forests, at the extreme western end of Europe, previously inhabited by Gaelic tribes. The French Nation was formed since that time by the har-

<sup>1</sup> A talk given under the auspices of the Indian Council of World Affairs in Delhi on 18 August 1949.

monious blending of these 'aboriginals'—to use a word common in India—with the Romans, with several Germanic tribes, and with the Scandinavian 'Normans'. And Latin, under a new form called 'Roman' gradually became the French language, which is considered all over the world to be one of the most perfect forms of human expression and an expression of French national mind and genius.

France was also the first country to exist as a 'Nation'. In order to understand French reaction to national and international events, this fact is of great importance, for the national memory of the French people goes back to a period when hardly any nation-States of the modern variety existed. Besides, the French concept of a 'Nation' is different from other concepts of that word and French politics can be really understood when one is acquainted with the spiritual attributes which the French put to the word, 'Nation'.

France had had also a turbulent history and after having a monarchy under the same French dynasty of the Capetians for more than one thousand years, she broke the chains of absolutism in 1789—giving herself to Napoleon, a democratic absolutist, then back to the Kings, then again to a Republic and and then again to a Napoleon (Napoleon the Third) who fell in 1870.

Since that year—79 years ago—France has been a Republic. The Third Republic—as it was called and as it is called by the historians—was a great period in French history. During its period of existence, the industrial organization of the country, started under Napoleon the First, made tremendous progress. The universal education, started under the previous reigns, became effective. The colonial expansion, and the discovery of the unknown world, particularly of Darkest Africa, belong also to this period.

Then came the First World War from which France suffered very much. It was fought mainly on her soil, and she made to the Allied cause the biggest contribution, losing about one million and a half young men, between the ages of 18 and 45. As the French population is around 40 millions, the proportion meant a terrible loss to France. Then, after the prosperous 'after war years', France had to get into another war, this time, again, for the sake of her international engagements and for the freedom of humanity, (in 1914, it was for little Serbia, oppressed by the Austrian Hungarian Empire and in 1939, it was for Poland). What France suffered in the Second World War is very little known in India. France was called by one of her foreign lovers and admirers as 'The Christ of Nations' and her soil, too small for a modern motorized warfare, was soon invaded by the German Army. French war industries, mainly located in the north and the east and the Paris region, were bombed and destroyed by the Germans. In the campaign of France, from 10 May to 18 June 1940, 150,000 French soldiers were killed on the battlefield, the number of wounded was over 200,000, and one million and a half prisoners of war were taken to Germany. During the period of four years of German occupation the country was split by a pitiless enemy into at least three zones (non-occupied, occupied and forbidden zones, without any communications between them). The youth of France were gathered into anti-German 'maquis' or sent to forced labour in Germany or interned in concentration camps by the military. The

air forces of Great Britain, and, after 1941, of the United States, bombed relentlessly all 'strategic targets' in 'Occupied Zones'. These targets were the big industrial plants, railways, marshalling yards, barrages, sea-ports, river canals, and they were Allied targets because all these marvellous realizations of French engineers were used by the Germans. And as it is not so easy for a Flying Fortress or for a Lancaster to drop its bombs in a radius of a few feet, hundreds of thousands of French men, women and children were also killed, and thousands of non-strategic houses and non-military targets were destroyed. A big sum of money (the actual equivalent of Rs. 5 lakhs) was cashed every day by the occupation troops from the French Treasury. Almost all the foodstuffs and the cattle of the rich land of France were requisitioned for the Axis war machine, leaving children without milk and a starving population.

In 1944, with the Campaign of Liberation, some more hundreds of thousands of houses were destroyed, the French industry was definitely ruined, the railway system—one of the best in the world—entirely dismantled, thousands of bridges were blown up by bombs or by the retreating enemy and the road network was destroyed.

The spectacle of France in 1944-45 was that of ruins, desolation and death, on a scale difficult to realize in countries which have not suffered from the direct effect of the modern war. Its indirect effect was on the minds of the French people who, as a result of occupation and destruction, became more dispirited and disunited.

Before the Second World War, the voice of France was predominant in the councils of Europe and of the world. After this war, a ruined country, with a small and foreign equipped army, France was considered by almost all of her allies as 'finished'. In 1943, Field-Marshal Smuts had even declared that France was out of the map of the world.

Thus the French policy since 1945, was bound to reflect, as it does, these outstanding facts. The first task of the Government was to organize law and order in the country. After military campaigns and after a terrorist occupation, there is always order to restore in a country. Secondly, the Government had to reconstruct everything that had been destroyed and to reconstruct it better. Thirdly, it had to feed and clothe a starving and ill-clad population. Simultaneously, as the French people were as hungry for the things of the mind as they were for food, the Government had to build up a new State, on a basis which would satisfy the mental need of many thousands of Frenchmen who had suffered terribly in the German jails, in the concentration camps, and on the battle fields.

Finally, and this was probably the most important, Government had to keep *intact* the spirit of the French nation, after years of occupation and disunity. One has to remember in this connexion that during the war, there were so many 'Frances'. There was first, the France of a handful of 'collaborationists', pro-German or pro-Axis people in Paris and Vichy. Then there were a handful of 'Free French', fighting with Gen. de Gaulle in the Allied armies; there were also 'bona fide' followers of Marshal Petain, who thought that the war was lost for the Allies and that the only thing to do was



to make friends—or at least not to be enemies—with the Germans. There were also the underground people (Resistance) working together in a total spirit of abnegation for the liberation of the land. And the soldiers of the Resistance were both the Communists and the extreme Rightists at the same time.

Thus, with these varied elements—misled Petainists, Free French Resistance people—united in the fight but opposed sometimes in politics, something coherent had to be built up. All this was a tremendous task for the new Government of France after the Liberation.

After four years of illegality, that is the lack of an elected legal Government in France, the French, logical in their ways of thinking and action, wanted at last its government to be properly constituted. And so, a new constitution was among the first aims of the new government. The people—and the government—were also anxious after three invasions in seventy years, that their security should be obtained first. And to France security means the disappearance of the German threat. That was one of the main tasks of the government which was formed soon after the Liberation.

For a nation like France which attaches great importance to cultural values and to the democratic ways of living, something else, namely, the solution of the colonial problem on a democratic and human basis became very urgent after the War. This arose also from the policy of gradual emancipation, followed by all the governments of the Third Republic, of the people of the French colonial empire, from their dependence on the Metropolitan Government. The Conference of Brazzaville in January 1944 inaugurated for the first time the idea of the 'Union Française', something comparable to the concept of the British Commonwealth of Nations. This reflected the desire of the French people to give all the colonial people the status of full citizenship, (which in French, means freedom) whatever might have been their state of development. And that was the task which was undertaken by the first head of the 'Fourth' Republic, Charles de Gaulle, when he started the Provisional Government of the Republic in Paris in September 1944, even before the end of the war and only a few days only after Liberation of the Capital. In addition to this, one of the first acts of the de Gaulle Government was to grant full political rights to women.

In the field of external affairs, the conservative de Gaulle signed in Moscow a Treaty of Alliance between France and the U.S.S.R. and this showed that France had not given up her progressive traditions (10 December 1944).

As the legal government had disappeared under German invasion, one urgent thing to do was to conduct fresh elections. That was done in October 1945, when three parties, namely, the Communist Party, the Socialist Party and the M.R.P. (*Movement Republicain Populaire*, or Roman Catholic Democratic Party) obtained almost equal number of seats. The old Parties of the Third Republic, and the principal party which had actually led France for the past thirty or forty years, the Radical Socialist Party lost almost all their influence. France was obviously looking towards the left. Why? The big successes of the Russian armies, the heavy toll of human lives paid by young French

Communists in the underground movements, the clever propaganda of Communists presenting themselves as the only true patriots, influenced a number of electors. The Socialist Party, very popular in the 'Front Populaire' of pre-war years, attracted this time, not only the old Socialists, but also the new-comers from the centre and from the right, who were disgusted by the cowardly and even treacherous attitude of some of their political leaders. The M. R. P., of which no one had heard before the war, had tremendous success, first due to the entry of women—more attached to religion than men—in the political life, and secondly, to the great work done by its leaders in the underground movements.

In November 1945, the Constituent Assembly unanimously gave power with the title of 'President of the Provisional Government of the French Republic' to Gen. de Gaulle, who immediately formed a Government composed of representatives of the three main parties.

In April 1946, the text of the new constitution was ready and voted by the Assembly. According to it, this text had to be submitted to a popular referendum. That was done by the majority of nearly a million vote, but the work had to be done again by a new Constituent Assembly, the first one being automatically dissolved, because of the rejection of its draft Constitution by the Assembly (May 1946).

After the new elections, which showed the increasing influence of the M. R. P. and the Communist Party, (the Socialist Party lost a number of seats in this election) and after much debate and new vote of the Assembly, the second draft Constitution was adopted by a popular referendum, giving nine million votes for and nearly eight million against, the proposal.

In November, the second Constituent Assembly was dissolved, its work being over and the *Assemblée Nationale*, provided by the Constitution, was elected. This time again, three big parties were leading, namely, the Communists, the M.R.P. and the Socialists.

In December, the Upper House—called the *Conseil de la République* (Council of the Republic)—was elected. The relative strength of the big parties was almost the same as in the Lower Chamber. In the meantime, Gen. de Gaulle, as President of the Provisional Government had been replaced by Felix Gouin, the Socialist Leader, then by Georges Bidault, the M.R.P. Leader, and then by Leon Blum, the 'Pope' of the French Socialist Party.

In January 1947, Vincent Auriol was elected *President de la République* (Constitutional Head of the Republic) and Paul Ramadier replaced Blum as the head of the Government.

These changes of Government may look somewhat peculiar to those who are not used to the political life in France. The constant changes of Government do not mean always a complete break from the fundamental functions of the Government. In France both among the people as well as among the members of the Assemblies, a real fear of personal power exists and the fall of a Government does not mean therefore a catastrophe. Some men are changed at the head of the ministries. That is about all. The civil services being permanent and well established, nothing really changes in the particular policy

of a particular ministry except in some very rare cases. It is only the composition of the ministerial 'Squad' that is changed in order to reflect more truly the state of public opinion and the opinion within the Assembly. Very often, when there is a political crisis, some trials are made, and after two or three, sometimes more, changes of Government in a month or two, a good formula is found and a Government lasts for several months and sometimes for years.

For instance, the Government of Ramadier lasted almost a year with only one reshuffle in May 1947—an important one, because the Communist Ministers were expelled from the Government at that time. That was a rather significant event in the French political life since the Liberation.

In April 1947, Gen. de Gaulle, who was out of political life since his resignation, started with the help of a few devoted followers, the *Rassemblement de Peuple Français* (R.P.F.) or (Rally of the French People) which was presented not as a party but as a Rally. The success of this new political group was very great. The personality of Gen. de Gaulle and that of his followers, the political instability shown by the successors of de Gaulle at the head of the Government and also a mounting feeling of discontent among the peasantry and the bourgeoisie against the Communists, contributed to the success of the R. P. F. The main campaign of de Gaulle was for a new Constitution and for the dissolution of the *Assemblée Nationale*, the Parliament, as it is constituted now.

In October 1947, at the municipal elections, the R.P.F. obtained a great success. Yet the middle-of-the-road Governments of MM. Queuille and Mr. Schuman succeeded in keeping the Republic balanced between Communism and the extreme Rightism which was represented by the de Gaulle party. There was Communist-inspired labour unrest throughout the year, and the Federation of the French Trade Unions, the G.G.T. (*confederation generale de travail*), split into two blocks, its non-Communist elements joining a new federation of unions, called *Force ouvriere* (Workmen's Strength). A ministry led by Schuman (who is now the French Foreign Minister) lasted eight months and was replaced eventually by a Cabinet led by Queuille, which is still in power.

The Communists are no longer members of the French Government. They are now in the Opposition. At the end of 1948, new troubles and strikes were fomented apparently by the Communists and strikers in the mines and the docks created fresh problems for the Government. The Government, engaged in the rehabilitation of French industries, did not yield to this threat and the strikes eventually failed, marking a great success for the Government.

In the meantime, the last municipal election has accentuated the isolation of the Communist Party in the country, in public offices and in the Assemblies as a whole. This was the most striking political event since the liberation. In two years, this Party which had become the most important in the National Assembly and which in reality still is, since it has 180 Deputies in the Parliament, first lost its position in the Government, then, successively, very important positions in the *Conseils municipaux*, in the *Conseil de la République* and finally in the *Conseils départementaux*, in which, as it were, it no longer figures. Acting

on the advice, and possibly on definite orders of the Cominform, the Communist Party had entered into direct opposition to the Government, by supporting and even fomenting strikes. The Communist Party, excluded from the *Conseils gouvernementaux* for two years, and having lost almost all its places in the *Conseils communaux*, and *Départementaux*, naturally keeps the seats which it occupied in the elections for the National Assembly in 1946. This creates a rather paradoxical situation which makes the task of forming a stable Government more delicate, the more so, because the two parties which form the nucleus of this majority,—the Socialists and the M.R.P.—are very often divided on questions of an economic and ideological nature.

The Socialist Party, it is true, is tending to become a governmental party, as the Radical Party was formerly. It has not, altogether, succeeded in this. But the gap between the two extreme left-wing parties, Socialists and Communists, has grown incontestably wider. In the present state of international affairs, the split can only grow deeper. In any case, the essential feature of French politics, since the liberation, has been the isolation of the Communist Party from the rest of the nation. At the same time, a tendency to return to the political norms of the Third Republic had made itself more and more felt.

The Rally of the French People—de Gaulle's Party—on the other hand, after a tremendous start, has failed to gain power. Although still strong, it is losing ground progressively showing, obviously, that de Gaulle was followed at the beginning (in April 1947), because of the fear of Communism. But as the 'middle-of-the-road' Governments handled very strongly and very deftly the labour unrest and the threatening Communist menaces, the French people have now turned against what they call 'adventures' represented by the threat of seizure of power by the de Gaullists.

In this respect, the very improvements in French economy caused by the Marshall Aid have been of great importance, but mainly this change is due to the spirit of the whole nation, which has been further inspired by the publication of the report of the Commission, the plan for the modernization and equipment of industry. According to this report, production figures have surpassed the level attained before the Second World War, reaching the 1929 figures, the highest achieved in the period between the Wars. As compared to 1938, French production has increased by more than a quarter, or exactly by 27 per cent.

This is chiefly shown by an increase of 18 per cent. in the real national income, a total volume of consumption equal to that of 1938 and by an increase in the quantity of exports, those to the foreign countries being three times as much as in 1946 and those to the countries of the French Union, twice as much. As imports simultaneously diminished, the index of the excess of imports over exports passed in two years from 412 to 150, showing a marked progress towards a stable balance of trade.

It is interesting to note that, in four short years, France has surpassed the level of industrial activity which it attained during the period before the Second World War. It needed six years to achieve this feat after the first World War.

Without a doubt, this remarkable result is due to the confidence placed in

the successive Governments by the industrialists and by the people themselves.

The situation in France, has improved, and in the middle of 1949, it is much more favourable than it was a year before. Of course, the national economy is not entirely free from the threats that weigh on it, as they are weighing on almost all economies in the world. There are still many financial problems to solve, still there are some social claims, quite natural, but difficult to deal with. But the fact remains that restrictions have almost completely disappeared, the cost of living has not increased, and in some important sections, it has decreased. If you go to a market, in a big city or in the country, in spite of hard times, it is easy to notice that France has regained her balance and the traditional comfort which France offers to her citizens.

## INDUSTRIALIZATION OF INDIA AND COMMON-WEALTH CO-OPERATION

By GYAN CHAND

### I

THE scope of this short paper is to examine the extent to which the Commonwealth can make a constructive contribution towards the solution of India's problem of industrialization. It is, however, necessary to say a few words about the meaning of India's decision to remain a member of the Commonwealth, as it has an important bearing on the right approach to this problem. It is necessary that the inwardness of India's decision should be clearly understood and many doubts and misgivings which still adhere to it dissipated by progressive realization of its inner purpose.

India's membership of the Commonwealth is an event of very great importance to her, but probably of much greater importance to the world as a whole. India has chosen to join the Commonwealth as a matter of free choice in spite of the fact that her struggle for complete independence came to an end less than two years ago, and complete severance of connexion with the British Empire was a part of the political creed of her people. The significance of this act lies in the fact that she has chosen association with a country which exercised complete political domination over her and her people had to struggle and suffer for political emancipation. India has chosen to let by-gones be by-gones, bury the memories of her bitter struggle and join hands in a spirit of goodwill and fellowship in the hope that a new chapter in the history of her own and that of the world can thereby be opened. It is an act of faith and the future will show how far it is justified; but India's decision, besides being partly—but only partly—guided by enlightened self-interest, also has implicit in it an approach which, given favourable circumstances, will enable her to play a constructive rôle in world affairs. This approach means that India has decided to turn her back on the past, and is animated by a desire to use her newly won freedom to promote goodwill, understanding and co-operative effort. There are differences of opinion as to the form which this association with Great Britain and other members of the Commonwealth

should have taken; but there is no doubt that among the thoughtful people, in India, the desire to use the new association creatively is very widely held, and if reciprocated, can become a force for good in the mutual relations of India and the Commonwealth and also a new pattern of international relations of great importance from the point of view of the future. The immediate bearing of this approach, however, is that India, while retaining her complete freedom of action in internal and external affairs, has to co-operate with other members of the Commonwealth for the good of all and in return receive all assistance that she needs from Britain and other Commonwealth members for solving her many pressing problems. This, of course, means that not only the Commonwealth countries have to appreciate India's position and problems and do nothing to take advantage of her difficulties of transition from political subjection to freedom, but also make such positive contributions as they can to enable India to fulfil her urgent needs and to equip herself to play her part in shaping the future. It is essential to achieve this end if association of India with Commonwealth countries is to be placed entirely on a new basis and its inherent possibilities are to be realized.

It is not necessary to indicate at any length the bearing of the meaning of this decision on the problem of industrialization. India's retarded industrial development is a legacy of the past and the belief is very widely held in this country that India's political subjection is very largely responsible for her industrial backwardness. The need for accelerating the pace of industrial development is very widely admitted. It is realized that acceleration of the pace of industrial development has risks and dangers of its own and it is necessary to provide economic and social safeguards against industrialization proving a boomerang. But industrialization is recognized to be an inescapable necessity. It is generally admitted that India cannot relieve the pressure of population, solve the problem of rural poverty, modernize agriculture, rationalize her economic life and make use of science for the good of her people without embarking upon industrialization on a large scale. Industrial development, it is also admitted, has to be an integral part of her plan of economic development as a whole and its fundamental relation to the basic facts of her whole national economy and its future, has to be duly borne in mind. All the same, as stated already, industrialization has to come and has to be promoted with determination and purpose.

Industrialization of India, as an element in Indo-Commonwealth relations, has both negative and positive aspects. From the point of view of the future, the positive aspect, of course, is far more important and has to be kept in view; but its negative aspect has also to be taken into account if relations based upon subordination have to be liquidated and complete equality and full co-operation are to be made the basis of the new relation. It is well-known that such degree of industrialization as has been achieved in this country has either been an incidental result of the British desire to exploit our resources to her advantage or it has taken place in spite of deliberate effort on the part of Britain to repress Indian enterprise in the interest of British interests in Great Britain and in India. The result is that a very large and crucial section of Indian industrial

economy is owned by foreign interests, mostly British, or even in a number of cases in which the ownership is Indian, the control is in British hands. Prime Minister Jawaharlal Nehru has made it quite clear on behalf of India that she has no intention of being vindictive in her attitude towards foreign capital and enterprise or penalize British interests for their having been in the past agents and instruments of British domination in India. It is, however, to be realized that continued control of key positions of Indian industrial economy is not compatible with India's economic liberation which has necessarily to be a basis of her political freedom. India has been exploited during the past by British interests and this exploitation has to end if a new relationship based on equality and co-operation has to be established.

It is, therefore, clear that any efforts on the part of India to end exploitation of the past should not be taken as violation of the obligations of friendship. All wrongs of the past cannot be redressed and any attempts to balance accounts with a view to do historical justice would be ill-advised and not in keeping with the underlying assumptions of India's foreign policy. But no country in the world can and should permit private foreign interests to remain in dominant position in important sectors of her economic life. As it is, British interests still control shipping, exports, foreign trade, banking, oil, coal, copper, jute, tea, coffee and heavy chemicals and hold a semi-monopolistic position in regard to these industries. India cannot and has no intentions to buy out these interests in the near future. Moreover in the period of transition, she needs technical experience and ability of British firms in order to reduce the strain of re-adjustment as far as possible. *Status quo* has probably to be maintained for the time being; but this can be done only on the assumption that no foreign interest can and should remain indefinitely in a semi-monopolistic position in India in regard to industries in general and key industries in particular. The Socialist Governments of U.K., Australia and New Zealand should not find it at all difficult to appreciate this point of view. It is a part of the faith by which they stand and according to which the dominance of acquisitive forces of the past has to be ended in the interest of a co-operative world economy.

From the attached statement, it would appear that out of about 761 important firms at present in India, nearly 56% of these firms are controlled by foreigners and they cover a variety of industries, including some of the more important industries referred to above in which British interests are more or less dominant. It is not necessary to discuss the method and manner by which the rôle of foreign interests of this country has to be changed from one of exploitation to that of co-operation. But it can be assumed that these interests would not change their attitude by themselves. It is the Government of Great Britain and of other Commonwealth countries which have to realize that conscious effort in this sphere is called for and has to be put forth with utmost sincerity and earnestness. The underlying principle of the Colonial Development Fund is that the era of exploitation in the colonies is to end and should be replaced by organized effort to develop their resources primarily in the interests of their people. The same

principle should apply to India and even though she is now an independent country. Foreign interests under the prompting and guidance of their Governments have to change their rôle and participate fully and wholeheartedly in India's effort to place her economy on a sound and progressive pace. As stated already, it is only possible to indicate the general approach in this paper and the manner and method of realizing this end cannot be discussed in detail. A new approach, however, is essential if India's relations with other countries of the Commonwealth are to be placed on the basis of co-operation and the old chapter of exploitation has to be finally closed. This is essential in order that further expansion of Indian industries with such assistance, as the Commonwealth can give, should be completely free from the old taint of exploitation and economic subordination.

Transformation of the position and purpose of British enterprise in this country is, however, a negative aspect of the problem of industrialization. It is essential for British interests to change their rôle for making the Commonwealth what it should be. But it is also obvious that in itself it would not be enough. The Commonwealth countries have to evolve schemes of co-operative effort by which industrialization of countries like India, Pakistan and Ceylon can be promoted and very greatly accelerated. For the implementation of such schemes, it would be necessary to create and administer a central pool of resources, skill and experience which can be drawn upon for rendering assistance to the countries which need it most for directing economic forces consciously in relation to the needs of the less developed countries. This assistance can take the form of (i) investments and loans, (ii) help through technical missions and supply of technical personnel in consultative capacity (iii) technical training of Indians and (iv) supply of capital goods, on a carefully planned basis with due regard to the needs of the countries concerned, arranged in a proper order of priorities. This practically means a plan corresponding to Point Four of President Truman for the Commonwealth countries. President Truman's scheme is well-conceived, but it has its limitations and it is not known what proportion of assistance would be made available to the undeveloped countries of the Commonwealth. It is necessary to make an effort on a regional basis for the Commonwealth itself to plan out a programme of development. There can be no conflict between this programme and the U.N. programme and the former will really involve a measure of self-help to which possibly no exception can be taken. This has to be done in order to make the Commonwealth a reality in the true sense of the word, in theory and in practice.

Great Britain and other developed countries of the Commonwealth, except probably Canada, are really in no position to undertake investments or grant loans on a large scale to India and other undeveloped countries of the Commonwealth. Canada has, in the post-war periods, been a lender on a considerable scale, and, given the right purpose, can also render financial assistance to undeveloped countries of the Commonwealth; but Great Britain, Australia, New Zealand and even South Africa are obviously in no position to make surplus resources available for investment and loans for India and other undeveloped



countries. Great Britain's own difficulties and limitations being well-known, she cannot be expected to make further investments in India or give her loans for development. The best assistance which she can really render in financing industrialization is to accelerate the pace of repayment of sterling debt due to India. Her ability to do so would, of course, depend upon the extent to which she can redress her difficult balance of payment position, but would also be very largely conditioned by her programme of domestic investments and foreign commitments.

Britain has an annual programme of investing about £2,000 million a year in long-term development at home; and her foreign commitments in Greece, Middle East, Malaya and Hongkong involve a very heavy drain on her resources which could, given more favourable conditions, be utilized for the repayment of her contractual obligations incurred during the war. In regard to investments and foreign commitments, Britain has of course to judge for herself the extent to which her resources can and should be devoted for these purposes. But India and other creditor countries are clearly, though not directly, interested in the use to which the surplus resources of Great Britain are put. The economic recovery of Great Britain is in the interest of India from the point of view of liquidation of our sterling securities. But over-investment, besides involving strain for the people of Great Britain, means a slowing down of the process of repayment of Great Britain's debt; and heavy foreign commitments set up a drain on manpower and material resources for which alternative uses at home for increasing production could of course be easily found. These points are however of general interest and indicate that it is necessary for Great Britain to take into account the effect of her commitments at home and abroad on her ability to meet her obligations, and therefore, on the pace at which the creditor countries like India can use their foreign assets to finance industrial development. Apart from the desirability of making free or convertible sterling available for India to a larger extent than has been done hitherto, it has to be assumed that the help which Great Britain and the Commonwealth countries can give in financing industries is strictly limited and India has to reckon with and accept this fact.

## II

Inability on the part of Great Britain and most of the other Commonwealth countries to render financial assistance makes it all the more necessary that co-operative effort in other ways should be more earnestly and purposively pursued. India's plan of industrial development will necessarily require initiative and clear enunciation of objectives on the part of the Government of India. For the execution of this plan, India will need technical assistance in various forms. India's mineral resources are only partly known and very superficial surveys made in the last two years have revealed new and unsuspected sources of supply of valuable minerals. A complete and thorough survey of mineral resources is essential in this country in the interest of conservation and development. India's existing industries are operating at a low level of efficiency, partly owing to capital equipment being old and worn out, but also

owing to defective organization and technical deficiencies. Technical assistance would be needed, to a much greater extent in making a survey of industrial possibilities and setting up new industries. India's own technical resources are known to be limited and need to be very largely supplemented. The Commonwealth countries' ability to render financial assistance may be limited; but representing as they do a large fund of technical talent, experience, tradition and skill, they should be able to tender disinterested advice and offer very helpful assistance in planning and carrying out a programme of industrial development suited to India's needs. Great Britain herself is making earnest attempts to raise her level of industrial achievement through rationalization and re-organization, but being the oldest industrial country in the world, knowledge, skill and experience of her technical experts could be of very great help in accelerating the pace of industrial progress of this country. Canada and Australia have both attained a very high level of development in industrial production during the war, and particularly the latter has, in spite of her limitations of manpower, remarkable achievements to her credit in respect of expansion of industrial production both from quantitative and qualitative standpoints. It would be desirable to set up a machinery through which technical ability and experience of these countries can be made available for India and other undeveloped countries, and this should be done with a view to provide an agency for the Commonwealth which should almost be on tap and even take initiative in rendering technical assistance on service basis. This can take the form of a permanent pool of technical experts, special technical missions or technical consultants in particular cases. Assistance on commercial basis is available, but besides being costly, its disinterestedness cannot always be relied upon; it is necessary to have an agency whose motives are entirely above suspicion and which is animated by single-minded devotion to public interest. This agency can organize small demonstration centres in selected regions, demonstrate the latest technique, take up small pilot plants, carry out special surveys on request, or provide technical information and even the secret know-how in special cases. As stated already, technical assistance under the U.N. Programme has, as its object, provision of such assistance under international auspices. But it is also necessary to provide similar surveys on regional basis and make special effort to study and satisfy the needs of the undeveloped countries of the Commonwealth. The fact that an agency or agencies under this scheme will be set up by the Commonwealth would not mean that experts will only be drawn from the Commonwealth countries. Experts of all countries could be used through this mechanism, but its special object should be to make available the latest knowledge, technique and skill for enabling India and other undeveloped countries of the Commonwealth to make up the leeway and attain a level of industrial development needed for solving their internal problems and coming up to the level of the most advanced industrial countries. The success of this co-operative effort will be measured as much by the confidence that it inspires as through its performance and results. Advanced industrial countries in the past have used their superiority to take advantage of the less advanced

countries. In the new set up, obligations of superiority have to be realized and discharged with due appreciation of the need for making an entirely new start in this respect. The fact that three important countries of the Commonwealth have socialist governments has a special bearing on this question and can be used to underline and realize the social significance of this co-operative venture.

It is also necessary to make conscious effort to increase facilities for giving technical training to Indians and improve its quality and content. India has been aware of the need for technical training for more than three decades and attempts, more or less spasmodic, have been made to satisfy this need. After the end of the last war, a large number of scholars were sent to receive technical training; but both in respect of selection of scholars and of the institutions to which they have been sent, the needs of the country and their order of priority have not been taken into account and it seems that our funds and human resources have been partly wasted on account of lack of careful thought in selection. It is necessary to plan out a programme of technical training very carefully and ensure that the trainees, in respect of acquisition of theoretical knowledge and practical experience, should have access to the very best opportunities available in the countries to which they are sent. In regard to practical training particularly, Indians have laboured under very grievous disadvantages and the position, though a little better, has not in recent years materially improved. Selection of trainees has to be the responsibility of the country concerned, but if a deliberate effort is made to see that they have access to the best institutions and factories and their training is limited to specific needs of the country from which they are sent, it would ensure that training would be of the right type and high quality and the trainees would, on their return, be really useful for industrial development and find opportunities for advancement and constructive effort. There is definite need for organization in this respect and for removal of obstacles which until now have made the results of technical training acquired abroad by Indians so very disappointing in most cases.

The most important form, however, in which India can receive assistance in the immediate future is more adequate and timely supply of capital goods. India still is very largely dependent upon U.K. for the supply of her capital goods and more than two-thirds of her imports of capital goods in the last three years have been imported from the U.K. and the other Commonwealth countries of Australia, Canada and the Union of South Africa have also increased considerably their export of capital goods to India as compared with the pre-war position. The quantity of capital goods imported from the U.K. has increased in 1948 by nearly 80% as compared to 1938 and India's share of the total exports of capital goods from the U.K. is about the same in 1948 as in 1938. This fact again indicates that India has retained her pre-war position in this respect and has not suffered from any discrimination. Considering that prewar standards are entirely inapplicable to existing conditions and needs, it is necessary to do much more than has been done till now with regard to the supply of capital goods and do it with a purpose.

The plan of industrial development for India has still to be drawn up. But it can be taken for granted that the real needs of India for capital goods would be enormous, and through the use of her sterling assets and husbanding of exchange resources, she would be in a position to acquire large quantities of capital goods. U.S.A.'s share of import of capital goods has increased lately and is likely to increase still further; but the fact that we are still importing only less than one-fourth of our capital goods from U.S. is significant and indicates the need of our making the most of the available supplies in the Commonwealth countries for India's industrial development. Industrial production of U.K. is more than 20% over pre-war and her production of machinery, vehicles, electrical goods and chemicals has increased from 200 to 265% as compared to 1938, and her programme of development in the next few years provides for still further expansion. It should be possible for U.K. to assist India to a much larger extent in carrying out the plan of industrial development, and supply India not only as much as she needs, but also the type of capital goods which she needs.

If this is to be done, a large measure of consultation at inter-governmental level would be necessary and the programme would have to be put through on a carefully planned basis. Assuming that India has a plan, Great Britain's exports will have to be specially directed towards its early execution and fulfilment. Lack of capital goods is a very serious bottleneck in the execution of the plans which are already in hand and their completion is in doubt owing to the uncertainty regarding capital goods being available. India's present plans, however, have no relation to her real needs; and plans which she must prepare and put through would necessitate the supply of much larger quantity and it may be assumed, much higher quality of capital goods. India is entitled to special assistance. She has, as already stated, old memories to get rid of but what is more, she has pressing needs to provide for and it is upto the U.K. to show that she too on her part is more than willing to meet India's needs. Canada and Australia both are in a position to supply capital goods of a wide variety. Canada, it is well-known, can fabricate large hydro-electric plants and big power stations; she is in a position to produce gas plants, supply coal mining machinery and diesel electric power plants. She can provide a great deal of equipment for chemical industry and build cement factories for exports. Canada, next to U.K., can, given the will, greatly help in India's industrialization by supplying capital goods both on credit and for cash.

Similarly Australia is in a position, owing to the developments which have taken place during the war, to supply capital goods which she can make and which India needs. Her development in respect of manufacture of aeroplanes, ship-building, engineering, production of steel and manufacture of electrical goods and agricultural machinery, makes Australia a potential source of supply of heavy capital goods for India which can and should be utilized to the greatest advantage. These are only a few illustrations of what can be done. What is needed is organized effort on the part of Commonwealth countries to make the industrialization of undeveloped countries of the Commonwealth their special concern and responsibility. If they realize that they have a special duty

in the matter and are in a position to discharge it to the benefit of all concerned, not only the pace of industrialization in India can be accelerated, but new bonds of friendship and fellowship can be forged which will make the Commonwealth also a really beneficent factor in the working of world economy. The Commonwealth can be mutually co-operative without being exclusive in the supply of capital goods. Concerted and well-conceived efforts will not only be fruitful, but also become an experiment in regional planning on the basis of 'from each according to his capacity and to each according to his needs'. This will have to be done in an empirical manner if the interests of all concerned are to be taken into account. But it can be made a working principle of new partnership, and earnest effort to do so is urgently called for.

The approach indicated above, it may be urged in conclusion, is right in itself and worth while from the point of view of the future evolution of the Commonwealth. It is necessary that Asian members of the Commonwealth particularly India, should feel that the latter, by a process of rapid growth from within, will become a community of free nations and not merely remain only of the old British Dominions and Great Britain. The co-operative effort referred to above means more than Point Four of President Truman on a regional basis. It means regional planning and definite attempt to adjust production and export of very important commodities to the needs of the undeveloped countries, and a standing organization for technical survey, advice, demonstration and even administration in particular cases with a view to give help where help is needed and in the measure it is needed in a spirit of understanding and real co-operation. This new habit of thought and action cannot be acquired in a day. It will take some time before countries like India can forget the past and acquire confidence in other members of the Commonwealth. It will also require time for Great Britain and other British Dominions to realize that, in spite of its origin and history, the Commonwealth has to become an international community of free and equal nations and they owe special obligations to a country like India whose retarded industrial development is due as much to her political history as to other factors. Great Britain and other countries of the Commonwealth have their own commitments and obligations which may make the process of adjustment difficult. The evolution of the Commonwealth on these lines is, however, the only sure guarantee of its stability and of its being able to play a constructive rôle for the preservation of peace and the development of international comity. A large section of Indian people have acquiesced in the choice made by their leaders in the hope that the events will justify it, but as is well-known, the choice has been accepted without enthusiasm and there are many who regard the choice as unfortunate and inconsistent with India's pledges and needs. If the acquiescence has to be changed into enthusiasm and doubts have to be dispelled, it is necessary that the older free members of the Commonwealth should show in action that they accept the new conception of the Commonwealth and are prepared to act up to it to the utmost limit of their capacity.

## STATEMENT I

*Important companies in India controlled by foreign and Indian firms*

Industry	Managed by Foreign firms		Managed by Indian firms		Total				
	Number	Percentage	Number	Percentage					
	(1)	(2)	(3)	(4)		(5)	(6)	(7)	
		*		**					
1. Cotton	35	(35)	30	82	(82)	70	117		
2. Ceramics and mining	9	(8)	45	(42)	10	(11)	55	(58)	19
3. Coal	37	(37)	54	32	(32)	46	69		
4. Electric supply	18	(10)	54	(30)	15	(23)	46	(70)	33
5. Engineering	24	(20)	57	(48)	18	(22)	43	(52)	42
6. Jute	49	(49)	80	12	(12)	20	61		
7. Sugar	13	(13)	40	20	(20)	60	33		
8. Chemicals	3	(3)	30	7	(7)	70	10		
9. Pressings	5	(5)	83	1	(1)	17	6		
10. Railways	20	(12)	90	(55)	2	(10)	10	(45)	22
11. Navigation	5	(5)	70	2	(2)	30	7		
12. Airways	—	—	3	(3)	100	3			
13. Breweries	3	(3)	100	—	—	3			
14. Timber and Saw ..	6	(5)	63	(63)	2	(3)	25	(37)	8
15. Flour & Rice ..	3	(3)	60	2	(2)	40	5		
16. Paper .. ..	3	(3)	38	5	(5)	62	8		
17. Tea .. ..	178	(178)	90	16	(16)	10	194		
18. Cement .. ..	1	(—)	17	(—)	5	(6)	83	(100)	6
19. Plantation .. ..	12	(12)	70	5	(5)	30	17		
20. Oil .. ..	3	(3)	75	1	(1)	25	4		
21. Land & Property ..	3	(3)	27	1	(1)	25	4		
22. Ropeways .. ..	3	(3)	75	1	(1)	25	4		
23. Unclassified ..	18	(18)	20	60	(60)	80	78		
	451	(428)	58	(56)	310	(323)	42	(44)	761

*Figures in brackets: \*Martin Burn Ltd. excluded; \*\*Martin Burn Ltd. included.*

## ASPECTS OF EASTERN EUROPEAN ECONOMY

1945-48

By V. S. SASTRY

In this study of Soviet-dominated Eastern European countries, two qualifications have to be borne in mind. First, Finland and Albania have been excluded from the analysis presented. Finland, because, despite her twenty-years' mutual assistance and friendship pact with Russia and in spite of the friendship clauses in the terms of the Armistice, has succeeded in eliminating the Communists from the Government, during the summer of 1948. The Government is now led by the Social Democrats under the leadership of Fajerholden. Albania is excluded because, as a result of its backwardness, it does not present the same line of development as Poland, Hungary, and other East European countries.

The second qualification is regarding the accuracy of the figures presented here. The main source of these figures is either the official publications or the semi-official estimates. It is not very easy to check them up by comparing them with independent studies. Where no such verification is possible, propagandist exaggerations cannot be absolutely excluded. At best, they can be regarded as rough approximations with a good margin of error.

### COMMON FEATURES

At the outset it must be mentioned that all the Eastern European countries feared an uncontrolled inflation at the end of the War. The retreating German armies left a monetary chaos. Prices were rocketing; real wages were falling catastrophically; speculation was on the increase, production was at its lowest point and there was a flight of capital. The situation was further aggravated by the enormous costs of Russian occupation and the costs of reparations imposed on the former allies of Germany. The following table of currency circulation shows the extent of inflation:

*June 1939 and December 1945*  
(in millions)

Date	Bulgaria	Hungary	Poland	Rumania	Czecho-Slovakia	Yugoslavia
	(Levas)	(Pengos)	(Zlotys)	(Lei)	(Crowns)	(Dinars)
June 1939	2,891	885	1,848	38,683	10,740	6,921
Dec. 1945	68,921	765,446	26,319	1,212,925	120,000	3,50,000

In addition to this severe drought and floods caused failures of crop in 1945-46 and in 1946-47. Add to this, the enormous social dislocation and the strain to which the economy was subjected by the first wave of nationalization and agrarian reforms. The following figures illustrate the state of agricultural production:

*Production of Bread grain (Thousands of tons)*

Date	Bulgaria	Hungary	Poland	Rumania	Czecho-Slovakia	Yugoslavia
1934-38 (aver)	1,787	2,917	8,531	3,749	3,148	2,636
1946	1,632	1,551	3,328	1,671	2,437	1,973
1947	1,410	1,690	3,478	1,755	1,732	2,300

*Production of forage*  
(Thousands of tons)

1934-39 (aver)	1,215	3,184	4,076	6,768	2,537	5,407
1946	775	2,013	1,774	1,572	1,885	1,949
1948	1,184	3,050	2,127	5,000	1,602	4,595

Again, in fighting the inflation in order to bring about currency stabilization, all these countries present some common features.

Firstly, the stabilization was carried out on extremely low level. Secondly, as the Governments were run by the Communist parties, currency reforms were used as the main instruments of redistribution of national wealth. Along with the blackmarketeers and hoarders even well-to-do peasants, small and middle industrialists, rentiers, and people with fixed incomes were hit hard. In some cases, the middle classes were almost expropriated. Thirdly the reforms left the State in control of enormous liquid capital. As a result, the entire banking system was under State control, making it the prime regulator and distributor of all industrial credit. The State could make this enormous accumulation as the basis of various types of planning.

Before dealing with the measures against inflation, the extent of nationalization, various plans adopted and the success or failure of these plans, a clear picture should be drawn of the nature of economy soon after the first wave of nationalization in 1945-46.

Approximately, the dividing line can be drawn somewhere at the end of 1947. In the first period of nationalization, (perhaps due to the coalition governments) a very important sector of private enterprise was allowed to operate. For example, in Czechoslovakia, 20% of industrial production and in Poland 40% of industrial production, were contributed by private enterprise. In Hungary, taking into account the nationalization of all heavy industries, 80% of industrial production was controlled by private industry'. In Bulgaria in 1947, the share of the co-operative sector in the total value of production was 11% while the private sector rose to 65%.<sup>1</sup>

HOW EACH COUNTRY DEVELOPED : (1) POLAND

In January 1945, Poland adopted a simple currency conversion system in order to curb inflation. But a relative stabilization was not reached until



1948. Despite the measures adopted in 1945, circulation of currency increased in 1946 and 1947 (26,319,000,000 Zlotys in December 1945; 60,066,000,000 in December 1946; 91,483,000,000 in December 1947.)

Various measures of nationalization undertaken in 1947 and 1948, increased the rôle of the State in industry to 80%. But private enterprises still controlled 40% of building industry.<sup>1</sup> Wholesale commerce was gradually concentrated in the hands of the State and was used in 1948 to achieve a measure of price stabilization. Still, State monopoly over foreign trade was slightly relaxed and the private sector accounts for nearly 15% of imports and exports. In retail trade, small shop-keepers and multiple chain stores, account for 70% of the net annual turnover. On 12 November 1948, the entire banking system was nationalized. The two joint stock companies formed after the liberation were liquidated. In order to facilitate financing of foreign trade, 'The Bank of Foreign Commerce' was created as a joint stock company with private investments, the State holding the majority of shares.

The first three-year plan announced at the end of 1946 came into operation on 1 January 1947. The objectives set were limited, i.e., a return to pre-war level of production. An investment of 20% to 23% of national income was contemplated in industry and agriculture, 13% to 15% of the appropriations were to be invested in agriculture and the rest between heavy and light industry with a weightage in favour of heavy industry.

It was announced at the end of 1947 that Polish industrial production based on Siberian basin, had reached 1938 level. By the end of 1948 the production stood at 140 (1938=100). Agricultural deficit continued in 1947 and during 1948, official statements, however, announced self-sufficiency in food grains and vast schemes of exporting cattle raising products.

## II. YUGOSLAVIA

In April 1945, Yugoslavia undertook drastic currency reform. War profits were confiscated; heavy taxes were imposed on fortunes accumulated during the war. By these measures, currency circulation was reduced from 350 billion dinars in April 1945 to 6 billion in August 1945.

On 10 April 1945, a law was passed nationalizing 3,100 private establishments. Already in 1945, extensive agrarian reforms had been undertaken and industries in which German capital had participated or had been owned by collaborators were expropriated. In fact, a major part of the heavy industry was covered by these provisions. Establishments nationalized in 1948 include 10 mines, 65 small power plants, 200 printing plants, 100 cinema houses, 350 sanitoriums and hospitals, and all ships carrying more than 50 passengers. The owners were paid compensation with 10% of the value in State bonds and 30% in liquid assets of the nationalized industries. Between 21 May and 28 May, 1,105 wholesale merchants in Belgrade were accused of speculation and their enterprises were expropriated. Thus, the entire wholesale business organization passed into the hands of the State.

<sup>1</sup> *Jurier Codzienny*, 14 July 1948.

An ambitious Five-year plan was put into operation on 30 April 1947. It provided for the development of heavy industry and the development of light industry in the backward areas. 42% of the national income was to be set apart for investment, out of which 8% would be absorbed by agriculture.

On 23 April 1948, President Boris Kidrich of the Federal Planning Commission, addressing Yugoslav National Assembly, claimed that the national standard of living had risen by 7% compared to 1939. He provided the following summary of results for the first year of the plan.

	1939	1946	1947-48
Electricity .. .. .	100	104	132
Coal .. .. .	„	112	153
Steel .. .. .	„	85	132
Cement .. .. .	„	88.4	186
Glass .. .. .	„	103	191
Sugar .. .. .	„	65	141
Lumber (construction) .. .. .	„	-	140

While it is impossible to prove the correctness or otherwise of these claims, reasonable doubts can be entertained. First of all, D. Yukovich, writing in *Borba*, the Central organ of Yugoslav Communist Party<sup>1</sup> sets the rate of investment in relation to national income at 38.3% as against the expected investment of 42%. In the second place, the plan depended for its success on the implementation of trade agreements entered into with Russia and other 'buffer' States. In particular, the capital goods necessary were to be supplied by Czechoslovakia and U.S.S.R. It is now well-known that the economic sanctions against Yugoslavia were applied by these countries during the period.

Despite these qualifications, it cannot be doubted that Yugoslavia experienced industrialization at a more rapid pace than other Eastern European countries.

### III. CZECHOSLOVAKIA

The first steps towards monetary stabilization were undertaken in November 1945. Currency conversion was limited to 500 Crowns per head and a month's wages and salaries of workers and employees. The rest was blocked in the form of accounts against 'funds for monetary liquidation'. The 'funds' represented goods, revenue from taxes on accumulated capital. After an enquiry into the sources of acquisition of property, frozen accounts were to be gradually released. The total releases were fixed at 24,233,000,000 Crowns in December 1945, 45,589,000,000 in December 1946, and at 58,539,000,000 in December 1947. It was claimed that this figure conformed to the increased production of commodities.

\* After the first wave of nationalization in 1945, 40% of the industry comprised the private sector. After the political crisis of February 1948, nationalization

<sup>1</sup> 25 November 1948.



taken over by the State. Except the former German industries seized by the U.S.S.R., all undertakings with 50% or more of foreign capital were excluded from the scheme for nationalization. Compensation was provided to the original owners without any limiting clause. Immediate advances were made to the owners, pending settlement of claims.

By the end of 1948, 73.8% of the workers were employed in nationalized industry; 5.3% in the communal sector; 3.6% in the mixed companies and 18.8% in private sector.

The first three-year plan was to come into operation simultaneously with the currency reform. On 1 August 1947 on account of heavy reparation payments, only 10% of national income was set apart for investment, 30% of the investments are to be absorbed by agriculture and only 26.5% for industry. In contrast to Poland and Czechoslovakia, Hungary was to concentrate mainly on light industry. The plan was aimed to obtain a pre-war level of production in agriculture and light industry.

Of all the 'buffer' States, Hungary alone aimed at producing goods the masses needed most. But during 1947, undoubtedly the production in heavy industry showed complete recovery while the light industry was lagging behind. At the end of 1947, Hungary was only producing 2 million pairs of shoes as against 4.7 million in 1938; it produced 14,000,000 meters of cotton cloth in 1947 as against 184.8 million in 1938. According to the official version of Rakosi, the index for mining and metallurgy was 137, for chemical industry 123, and for textiles 110 (1938:100).

#### V. BULGARIA

At the end of 1945, currency circulation in Bulgaria had increased by 2,500% compared to 1938. Simultaneously, 3% interest bearing treasury bonds were in circulation. On 7 March 1947, the Government decided on the redemption of all notes in the denomination of 200, 250, 500, 1000, and 5,000 levas as well as all treasury bonds. Only 2,000 levas (half monthly) per person were allowed. By freezing all large bank accounts, the sum total of money in circulation was reduced from 74,206 million levas in 1946 to 72,684 million at the end of 1947.

By a decree adopted on 23 December 1947, 7,000 industrial enterprises were nationalized. Industries in which foreign capital was invested were included in the scheme but former German-owned enterprises seized by the Russians were excluded. The original owners were paid compensation in interest bearing State bonds redeemable in 20 years. But the proprietors who had placed the factories at the disposal of the police during the days of partisan struggles or who opposed the political régime since liberation or were considered foreign spies were excluded from indemnification. In practice, it meant compensation only for foreign-owned industries. This decree was followed in early 1948, by the nationalization of banks, foreign trade and a large Bulgarian measure of domestic trade. *Rabotnic besko delo*<sup>1</sup>, Central

<sup>1</sup> 31 October 1948.

organ of the Communist Party, estimates that 64.2% of the wholesale trade and 22.3% retail trade, are conducted by the State.

The Bulgarian two-year plan came into effect on 1 April, 1947. It had very modest objectives and envisaged an investment of 9% of the national income in the first year and 3% in the second year. The planning authorities were convinced that agriculture should be given priority.

At the end of 1947, Bulgaria had not reached the targets set by the plan, only 77% of the plan had been fulfilled.<sup>1</sup> Agricultural production was lagging behind the industries. Consequently, the figures for 1948 were revised. Industrial production was to exceed 1947 production by 36% and agricultural production by 86%. The target thus set was above the figures originally envisaged by the plan in 1947. With regard to industry, the plan was fulfilled and the index in early 1949 stood at 170 (1938:100). But the agricultural production was nowhere near the target. Once again the central organ of the Communist Party<sup>2</sup> declared that until then only one district had delivered a volume of goods allotted; 13 districts had delivered between 80 to 90%; and the majority of districts had not delivered even 50%.

Soon after the defection of Tito from the Cominform, the Bulgarian press propaganda has been directed against Yugoslavia laying the blame on the failure to non-fulfilment of trade agreements by Yugoslavia. A section of the Communist party held that essential factories needed for the production of agricultural machinery and tools were in Russian hands and that the plan could not be fulfilled without equipment. (This was to lead to their expulsion and later on trials of Cabinet members).

#### VI. RUMANIA

Rumanian monetary collapse was as complete as that of Hungary. The money in circulation rose from 38,683 million lei in June 1939 to 1,212,295 million in December 1945 and to 6,117,603 million in December 1946. Dollar exchange rate which stood at \$1:30,000 lei at the beginning of 1946 had reached the rate \$1:2,000,000 lei by the middle of 1947. In order to bring the inflation under control on 15 August 1947, the Government fixed the rate of exchange at 20,000 old lei to one new one. Maximum amount of old lei to be exchanged varied between 1.5 million to 5 millions. All the remaining notes were blocked without any interest. A moratorium was proclaimed. By the end of 1947, it was estimated that 24,536 million new lei were in circulation, a figure below that of June 1939.

On 11 July 1948 legal steps were taken to nationalize important industries. Under this law, all oil companies including those in which British and other foreign investments were predominant, were nationalized. (The Soviet-Rumanian Company was excluded from the decree). In addition, two big factories owned by the Uniliver Trust, the banks, the insurance companies, rail transport, radio and telephone companies, shipping companies and all

<sup>1</sup> *Terpetchen in Izgrev*, 15 and 24 February 1948.

<sup>2</sup> 15 and 17 October 1948.

ships were brought under nationalization. All metallurgical factories employing more than 100 workers, lumber factories using more than 20 h. p. of electricity and textile factories using more than 100 h.p. were also nationalized. The former owners were to be indemnified by State bonds redeemable against profits earned by the nationalized industries. But the factories of saboteurs and those who had fled the country were expropriated.

Even by the end of 1947, Rumania had not started on industrial recovery. The first steps taken on 15 June 1947 were simply aimed against inflation. Only on 27 December 1948, a one-year plan was promulgated, providing for 40% increase in industrial production for 1949. This would bring production above 1938 level. But so far, no official statistics are published to indicate the measure of success or failure.

#### QUALIFICATIONS—INCOMPLETE PICTURE

Before drawing the conclusions and the lessons afforded by this study for India, it must be pointed out that this is an incomplete picture of Eastern European economy. Several gaps have to be filled in. I will indicate a few here, out which I might return at a later stage.

First of all, it is obvious that the East-West trade has been completely disrupted by the political developments of the last four years. In the pre-war period, finished goods from Western European factory had a wide market in Eastern Europe. Similarly, agricultural products of this area were absorbed by Western Europe. A few figures will bring out this contrast between pre-war and post-war period clearly:

Total trade in 1938 between the two regions—\$7 billion. Total trade in 1948—\$4 billion. Percentage of Europe's world trade that came from Eastern Europe: 1938—10, 1947—6. Percentage of Western Europe's world trade that went to Eastern Europe: 1938—10; 1947—6.

Has this gap been filled by trade with U.S.S.R. and the inter-trade between the countries themselves?

In the second instance, the significant absence of figures relating to wages, makes it difficult to check the claims as regards increasing standard of living of the masses.

In the third place, a further investigation is necessary to estimate the incomes differential between the workers and supervisory and directoral staffs, higher civil servants and others.

Finally, how are the State-owned factories run? Is there a measure of workers' control of industry? What is the relationship between the trade unions and the State-owned factory managements?

An answer to these questions must await a further study.

## AMERICAN PUBLIC OPINION ABOUT INDIAN POLITICS (1918—39)

By HARNAM SINGH

AMERICAN public opinion about Indian politics, in the period between the two world wars, was generally sympathetic to India's aspirations. Espousing the cause of peoples fighting for liberty and justice has always been in the best traditions of the American way of life. The average American loves freedom and democracy; and his sympathy automatically goes to those who are struggling for those cherished ideals. The attitude, therefore, of a large section of the people of America who were interested in Indian affairs was influenced to a considerable extent by this tradition. This aspect was given expression to by a number of papers at various times as a reply to British criticism for their pro-Indian approach. *The Atlanta Constitution* aptly described the nature of American attitude towards Indian problems when it wrote:

There is very natural temptation to Americans to sympathize with a national leader like Gandhi in India who is undertaking a great adventure for the liberty of his country and people.

We Americans had the sympathy, and no small measure of fighting aid, from other countries when our fore-fathers declared for independence and fought the British king and power to surrender to us our land and sovereign rights. We have always sympathized with any people struggling anywhere for self-determination. Such sympathy cannot be regarded as an 'unfriendly disposition' toward the holding nation whose dominion is being challenged.<sup>1</sup>

When *The Times* of London remarked, 'If large numbers of readers in the United States have been watching the progress of the negotiations<sup>2</sup> through the Congress spectacles, the Government of India has itself to blame,'<sup>3</sup> *The New York Times* made the following prompt reply which throws ample light on the American approach to Indian problems:

What is more natural than that large numbers of American readers should have followed the progress of events in India with sympathy for the Nationalist cause? Americans are human; that is to say, in the face of any engrossing contest, race, duel, they are bound to take sides. It is not unnatural for Americans to watch with interest a people struggling for self-government....

If American opinion on India were the product solely of the propagandists we should find Americans taking their opinions from the Nationalist emissaries to this country or from bitterly anti-Nationalist books. But as a matter of fact predominant American opinion is with neither. Our people have thought and felt about India as people always do, in accordance with their own traditions, their basic sympathies, and their native common sense. The last-named element

<sup>1</sup> *The Atlanta Constitution*, 5 May 1930.

<sup>2</sup> Refers to the Gandhi-Irwin talks of March 1931.

<sup>3</sup> Quoted in *The New York Times*, 11 March 1931.

is one that the propagandist theory of human action steadily refuses to take into consideration.<sup>4</sup>

American interest in Indian affairs began in some appreciable form in the early twenties, when Mahatma Gandhi started his Non-Cooperation Movement. Previous to that time, a few references were no doubt made and also some opinions expressed about the reforms as enunciated in the declaration of Mr. Montagu, Secretary of State for India, in the House of Commons in August 1917, but the comments were few and far between. Prior to the declaration of Mr. Montagu, however, one would rarely find news or comment on India and her problems appearing in the American Press, for the simple reason that no important developments took place inside the country—at least not of a nature to arouse interest abroad. The Indian National Congress was there, but the nature of its work was not such as to attract attention in America. Its political activities were confined mostly to protest meetings, the passing of resolutions at its annual sessions, and the sending of deputations to the authorities in India or England. Besides, this verbal agitation was confined almost entirely to the cities and big towns, drawing in its orbit people, mostly from the upper middle class which formed a very small minority of the entire population, whose sole aim was to enjoy a greater share in the administration of the country. Such a state of affairs was not likely to be noticed outside of India.

The entrance of Mahatma Gandhi, with his weapon of non-violence, into the political arena, changed the situation completely. The repressed feelings of the people, which had remained dormant for generations, were revived. India was aroused as if from slumber, and a powerful movement began to creep into every corner of the country. New passions and new desires were abroad; or rather old passions and old desires were reincarnated with a new potency. With the passage of the Rowlatt Bills and the massacre at Amritsar in April 1919, the storm burst forth in full force.

Previously, the American people at large had held very distorted notions about India and the Indian people—their life and their problems. They had drawn for their knowledge on sources which were anything but authentic. India was, to a majority of Americans, a dark continent infested with tigers and mosquitos and people living a backward and superstitious life, bowed down by an inexplicable society dominated by the caste system. It was a mysterious land, inhabited by yogis who sat on beds of nails, ate fire, charmed snakes and did the rope trick.

The political struggle of the Indians dispelled some of the old notions in certain quarters, but many misconceptions lingered on. It would not be wrong to say that a great majority of the American people knew little or nothing about the real India. The Non-Cooperation Movement no doubt aroused interest in certain quarters in the United States, but it was the personality of the Mahatma and the methods he sought to employ for the emancipation of

<sup>4</sup> *The New York Times*, 11 March 1931.



his people which were more intriguing. It will therefore be observed that the American Press in the early twenties wrote more about Gandhi and his technique of struggle than about the movement itself. The Mahatma's odd appearance and ascetic ways were a favourite topic for the Press. This, of course, could not be said about the liberal opinion in America which, during the course of the movement, had often raised its voice in sympathy and encouragement, and had shown intelligent appreciation of Indian problems.

The small section of the American Press which commented on Indian problems during the course of the Non-Cooperation Movement could be divided into three distinct groups. First, there was the liberal section which sympathized with the Indian struggle and was critical of British policy toward India. Second, there was that section which was critical of Gandhi and his Movement and which at times displayed anti-Indian sentiments, considering the Indian nationalists a mere handful of agitators out to disturb the peace of the country. Often times this group dilated at length on the benefits of British rule and the consequent chaos which would ensue in India if the British withdrew their strong hand. To them, India was nothing but a conglomeration of irreconcilable races, cultures, creeds and languages. They favoured British domination and did not consider the Indians fit for self-government. In the third category was the neutral section whose interest in Indian problems was limited to Gandhi and his unique struggle. Once in a while some of these papers or journals would step aside from their neutral course and give expression to views similar to those of the liberal or the critical sections.

After the withdrawal of the Non-Cooperation Movement by Gandhi, and his subsequent imprisonment, American interest in India dwindled. The majority of the Press, save for the liberal section, considered the Movement an utter failure, and to them Gandhi appeared no more than an impractical visionary. As a matter of fact, his critics had always considered him so, and the termination of the movement only confirmed their opinion.

For about half a decade there was a lull in the political life of India. The great revolutionary force lay dormant. The Indian National Congress was at grips with British imperialism inside the Councils. The common man had no part to play in the drama. The Mahatma had practically retired from active service. This unexciting atmosphere was not likely to arouse interest in the American Press, but with the emergence of the Simon Commission on the Indian scene in 1928, the Indians were aroused to action. News about India began to appear once again in the American Press, accompanied by editorial comment.

The Civil Disobedience Movement of 1930 started by Gandhi and the Round Table Conferences in London once again aroused great interest in America—greater than ever before. More papers and journals commented on Indian problems than they did in the early twenties. During the course of the Non-Cooperation Movement, Gandhi was the centre of interest for the greater section of the Press, while in the early thirties the Press wrote mostly about the various aspects of the Civil Disobedience Movement and the Problems involved. Besides, the approach of the Press to the Indian problem also

changed during this period. Liberal opinion was consistent throughout in its belief that Indians, in spite of all the differences of caste, creed and religion which in its opinion were exaggerated, should manage their own affairs and the British Government should take active steps to relinquish power as early as possible.

The section of the Press which was critical of India modified its attitude. Though conceding to some extent the right of the Indians to rule themselves, it believed that they were so far from being able to manage their own affairs that a withdrawal of the British hand would leave chaotic conditions in its wake. It supported the British point of view of some grant of reform, but not a complete relinquishment of power. A part of this section did not give up its old anti-Indian attitude. It maintained that the pace of reforms should be extremely slow and did not consider Indians fit even for dominion status. For all the riots and unrest in India it would blame Gandhi who in its opinion was a menace to modern civilization. It completely failed to understand the Mahatma and what he stood for.

The neutral Press, on the other hand, agreed in principle with the liberal section as to the inherent right of the Indians to rule themselves, and at the same time was greatly influenced by the exaggerated accounts of the diverse and irreconcilable elements in Indian society. It therefore believed in a slow pace for reforms leading to dominion status, lest India would have to pay an enormous price in human lives and in human happiness if British withdrew prematurely.

The main reason for the change in the opinion of the Press in 1930 appears to be that during the preceding decade the American public had become familiar, to some extent, with the Indian problem. Gandhi was no longer the centre of attraction, though his importance was not minimized. Eye-witness accounts of the movement were more common in 1930 than in 1921. The discipline of the non-violent resisters, the repressive measures of the Government, the ideals for which the men and women of India stood and suffered, created a great impression on the American people. As in 1921, the British propagandists could not convince the Americans that the nationalists who faced 'lathi' blows and machine-gun fire were merely a handful of agitators inspired by Gandhi for mischief. It is not surprising, therefore, to find that the sentiments expressed were more sympathetic to India.

One notable feature of the period was the change in the attitude of the American Church towards India. In 1921, during the course of the Non-Cooperation Movement, a great section of the Church was unsympathetic to India's aspirations, genuinely believing in the incapacity of the Indians to govern themselves. They thought in the same terms as did the pro-British Press. The reason appears to be that they were misinformed about conditions in India. During the course of the Non-Cooperation Movement, they considered Gandhi an impractical visionary, but a metamorphosis of opinion took place in the later part of the twenties. The Church was greatly impressed by the personality of Gandhi. Being a Hindu, his ways of life, his insistence on love, tolerance and truth, were all based on Christian precepts. In the

opinion of the Church, Gandhi was the following in the footsteps of Christ. Great tributes were paid to him by various Christian journals. The following sentiments, expressed editorially by *The Catholic World*, convey the general attitude of the majority of the American Church toward Mahatma Gandhi and his Movement:

If there be a really noble experiment in progress in any country at this moment, it is the sublime, though perhaps quixotic, attempt of Mahatma Gandhi to win freedom for some three hundred million people without waging war. A noble experiment, and unique.... No nation ever gained or regained its independence except by the sword—its own sword or some one else's.

True, the Christian religion achieved toleration by simple endurance. Those that took blood wore out before those that gave their blood. But since the days of Diocletian there has been no great pacifist victory, in Christendom or out of it. It remained—be it said to our shame—for a Hindu, a heathen, 'tuckled in a creed outworn' to make the second attempt to vindicate, on a majestic scale, the philosophy of the Sermon on the Mount. I hope I may say that much without being accused of making a Christ of Gandhi. Jesus, Himself, held up the Samaritan, a heretic, to the admiration of the orthodox. So I dare say we followers of Christ need not deny that there can be saints and heroes among the 'lesser breeds without the law.'<sup>1</sup>

During the various phases of the Civil Disobedience Movement, prominent liberals and clergymen raised their voices supporting Gandhi and his Movement, and at times protesting against the repressive measures used by the British Government against people fighting for liberty. On 9 February 1930, twelve of the foremost liberals<sup>2</sup> in the United States declared in a manifesto to the American public that the peace of the world depended upon the manner in which Great Britain received the Movement for Indian independence through non-violent aggression. They said that if Great Britain attempted to repress the Indian Movement with force, 'passions will be unloosed the end of which no man can see.... Not one but a chain of wars may conceivably follow upon violent revolt and violent repression, involving not two but many nations and making mockery of all our efforts after peace.'<sup>3</sup> they added:

We Americans are without direct power or direct responsibility in the matter. But in our little world we cannot look unmoved upon this crisis. We have not only a right but a duty to put the imponderable power of public opinion behind an urgent plea to the Indian people to persist in the non-violent paths in which they have chosen to lead

<sup>1</sup> *The Catholic World*, CXXXI, July 1930, p. 482.

<sup>2</sup> John Dewey, Professor, Columbia University; Oswald Garrison Villard, Editor, *The Nation*; Norman Thomas, Socialist Candidate for President of the U. S. A.; Rev. John Haynes Holmes, Minister, Community Church, New York; Dr. J. T. Sunderland, author of *India in Bondage*; Robert Morss Lovett, Professor, University of Chicago; William Floyd, Editor, *The Arbitrator*; Roger Baldwin, Director, American Civil Liberties Union; Devere Allen, Editor, *The World Tomorrow*; Dr. Charles Fleischer, former editor, *New York American*; B. W. Huebsch, The Viking Press, New York; Louise Adams Floyd, Ex-president, The Civic Club, New York.

<sup>3</sup> Quoted in *The New York Times*, 10 February 1930.

mankind and to the British Government to justify confidence in its zeal and capacity as the pioneer of peace by agreement and goodwill.<sup>1</sup>

*The New York Times* printed a news item that seven clergymen<sup>2</sup> of New York City had sent a message to the Pope, the Archbishop of Canterbury, the President of the Federal Council of Churches and the Presiding Bishop of the American Episcopal Church, urging that the peaceful efforts of Mahatma Gandhi and his followers for the freedom of India be looked upon with sympathy by these 'representative heads of Christendom'.<sup>3</sup>

On 9 May 1930, the following cablegram was sent by Dr. John Haynes Holmes and 100 other American clergymen to Prime Minister Ramsay MacDonald at London:

In the interest of India, Britain and the World, we beg you to seek the way to an amicable settlement with Gandhi and his people.

As ministers of religion who cherish the principles of democracy, freedom and brotherhood which you represent, and who believe in the spiritual ideals which Gandhi sublimely embodies, we refuse to believe that you and Gandhi cannot work together. We look to you who hold power and authority in this crisis to avoid the tragedy of a conflict which would mean a catastrophe for Britain, India and mankind.<sup>4</sup>

Many more instances could be found where prominent Americans raised their voices for a peaceful settlement of the Indian issue and supported the cause of the Indians. Resolutions had been moved in the Congress to that effect, as is apparent from the following news item published in *The New York Times*:

A resolution calling upon the United States Government to use its good offices for peaceful settlement of the Indo-British conflicts without abridgement of the 'just rights of the people of India' was introduced in the Senate today by Senator John J. Blaine of Wisconsin. Some months ago Mr. Blaine sponsored a resolution favouring recognition of Indian 'independence' from the time when the All-India Nationalist Congress voted for 'freedom' last December at Lahore.

The preamble of today's resolution spoke of alleged 'atrocities' by British armed forces against unarmed Indian men, women and children and quoted the joint statement made by President Hoover and Prime Minister MacDonald on 10 October last, to the effect that 'all disputes (between nations) should be settled by pacific means.'

The resolution seeks to have the Senate declare that it 'deplores such acts of violence, infamy and inhumanity committed by one signatory of the Kellogg pact against another signatory of the peace pact,' and that, 'As India is an original signatory of the Kellogg-Briand peace pact, the United States Senate instructs the State Department to use its best offices to insure peaceful settlement of the Indian struggle with no ab-

<sup>1</sup> *Ibid.*

<sup>2</sup> Edmund B. Chaffee, Abel J. Gregg, John Haynes Holmes, Clarence V. Howells, Edwin Fairley, Sydney Strong and Harry F. Ward.

<sup>3</sup> Quoted in *The New York Times* 18 April 1930.

<sup>4</sup> *The New York Times*, 10 May 1930.

ridgement of the just rights of the people of India who are seeking to emulate our own national independence"<sup>1</sup>

It is therefore apparent that a strong pro-Indian undercurrent was running in America during the time of the Civil Disobedience Movement. Pro-Indian sentiments were mostly confined to the East Coast; this might be attributed to the fact that in the Eastern States, public opinion was better informed with respect to foreign affairs and thus less liable to be influenced by propagandists. It will be noted, too, that the pro-British opinions expressed were also confined mostly to the Eastern States. British propaganda worked hardest in this section of the United States.

It should also be mentioned that all through this period British propaganda was busy attempting to win the sympathy of the Americans. All manner of propaganda was used—lectures, books, pamphlets, articles in journals, motion pictures, etc. All were devised to emphasize the benefits of British rule in India and the indigenous obstacles standing in the way of self-government. The main thesis put forward by the British propagandists was that Indians were not fit to rule themselves, at least for quite a good time to come, and that Britain was very anxious to do all in its power to train the Indians in the art of self-rule. Some, in their zeal, even attacked the social and religious customs of the Indian people.

But in spite of the work of the British propagandists, American sympathy for India increased as time passed. This might be attributed to the two causes which have already been noted above—the growing familiarity of the Americans with Indian problems, and the natural propensity of mind of the American people to uphold the cause of all those struggling for independence.

In educating American public opinion about India, the work of many distinguished Indians cannot be over-stated. Many prominent Indians such as Rabindranath Tagore, Lala Lajpat Rai and Mrs. Sarojini Naidu, visited the United States and placed the Indian point of view before the American people. Besides these, there were a number of Indian patriots who were forced to leave their motherland and who, under great hardship, worked in America for India's liberty. Of the many, the most notable were Dr. Tarakanath Das and Mr. Shilendra Ghose. The ceaseless and selfless efforts of such patriotic Indians helped immeasurably to arouse the active interest of America in the cause of India's freedom.

India achieved her independence on 15 August 1947, and the event was hailed by the American Press. It was considered by all to be a personal victory for Mahatma Gandhi and a testimony of the power of the spirit over brute force. The untimely death, a few months later, of the Father of the new nation was universally mourned, and the American Press, almost without exception, joined in paying tribute to the 'great soul'.

During her short period of independence, India has made great progress. Unfortunately, however, the great political, social and economic changes that are taking place in India now are not fully appreciated by the average

<sup>1</sup> *Ibid.*, 18 July 1930.

American. The Press is full of the 'cold war' and events across the Atlantic, and little news from the East appears on the pages of the American papers.

Today, India looks to the future with hope and courage. She is destined to play a major rôle in world politics, especially in the East. The friendship and cooperation of the United States of America with a free and democratic India will constitute a stabilizing factor in international politics and contribute immeasurably to the peace and prosperity of the world.

## BURMA SINCE SEPARATION

By THE RESEARCH STAFF OF THE INDIAN COUNCIL OF WORLD AFFAIRS

### INTRODUCTORY

BURMA was an independent kingdom till its annexation in three stages as a result of the Anglo-Burmese Wars of 1824, 1852 and 1886. Although the process of pacification after the War of 1886 took five years, there was no serious challenge to the British rule for over 50 years up to World War II. Even the Tharrawaddy Rebellion of 1930-32 was mostly due to economic distress following the world-wide Depression of 1929-30.

As in other parts of the world, national consciousness was roused in Burma by World War I and by President Wilson's doctrines of Democracy and Self-determination. Within the compass of a short article on post-Separation Burma it is not possible to dwell at any length on the politics of the pre-Separation period. Mention should, however, be made of the formation in 1906 of the Young Men's Buddhist Association (Y.M.B.A.), a reformist and revivalist body of English-educated Burmans. The war years aroused political ambitions and the Y.M.B.A. developed into the General Council of Burmese Associations (G.C.B.A.) When at the end of the war, the Montagu-Chelmsford Reforms were to be introduced into India and Burma was left out of the purview of these reforms, veteran leaders like U Ba Pe, U Maung Gye (later Sir Maung Gye, the present Burmese Ambassador in India) U Pu and U Chit Hlaing pressed Burma's case for inclusion in the scheme. On the introduction of dyarchy the G.C.B.A. split into a moderate group of co-operators called the People's Party or the Twentyone Party led by U Ba Pe and an extremist group led by U Chit Hlaing who stood out for full Home Rule. U Maung Gye who had founded the National Education Movement became the first Minister for Education; U Ba Pe and U Pu also accepted office in subsequent ministries.

### SEPARATION

Though the imagination of the Burmese people was fired by a love of freedom, the agitation consisted of a few students' strikes and slight labour unrest as compared to the intense struggle of Civil Disobedience put up by India. As a matter of fact, Burma had no need to put up a strong fight; being a province of India, she naturally shared in all the administrative and legislative reforms and the measure of representative Government that Indian political agitation

wrested from the unwilling British rulers who, however, succeeded in diverting the infant Burmese nationalism into anti-Indian channels, ultimately resulting in the demand for Separation of Burma from India at the time of the Round Table Conference. The Hobson's choice of absolute Separation from India *versus* unconditional Federation with India—this was how the question was posed by Britain to Burma and it could have the effect of only dividing the country and confusing the real issues. The move for Separation was, moreover suspect, having been engineered by the Anglo-Indian Press and British vested interests. A few advanced Burmese politicians under the leadership of Dr. Ba Maw and U Chit Hlaing saw in the proposed Separation an attempt to keep Burma as a crown colony and started a country-wide agitation against Separation, won the elections gaining an Anti-Separationist majority and passed a Resolution against Separation in the Burma Legislative Council at the end of 1932. In spite of this, the British Government proceeded with their plans and on 1 April 1937 Burma became a separate unit of the British Empire and severed all her administrative and other links with India.

Under the Government of Burma Act 1935, Burma enjoyed not only the autonomy granted to the Provinces of India but also the right to administer some of the subjects which in India were vested in the Central Government. The subjects of Defence, External Affairs, Ecclesiastical Affairs, the Excluded Areas of the Shans, Kachins and Chins and Monetary Policy were excluded from the purview of the Legislature and from the control of the popular Ministers. They were in the hands of the Governor and to assist him in the discharge of these responsibilities he had 3 Counsellors and a Financial adviser, all of whom were naturally British officials and it was only when World War II seemed to approach Burma that a Burman, Sir Maung Gyee was appointed as one of the Counsellors. The Legislature was bicameral consisting of a Senate and a House of Representatives elected for terms of seven and five years—respectively. Of the 36 members of the Senate 18 were nominated by the Governor at his discretion and the other 18 chosen by the House of Representatives. There were 132 members in the House of Representatives, of whom 92 represented non-communal or general constituencies for the Burmans, the remaining 40 seats being filled by minority communities and special interests e.g. 12 Karens, 8 Indians, 2 Anglo-Burmans, 3 Europeans, 11 for Commerce and Industry, 2 for Indian labour, 1 for non-Indian labour and 1 for Rangoon University. The Constitution had thus not only excluded from popular control vast areas, some 43 per cent. of the total area of Burma and 14 per cent. of its population, but also encouraged fissiparous tendencies by granting representation to communal and sectional interests. The position of the Governor *vis-a-vis* his popular Ministers was further strengthened by entrusting to the Governor as his special responsibilities the safeguarding of the interests of the minorities and the Public Services and the prevention of discriminatory legislation against British and Indian vested interests. To the nationalist Burman such provisions seemed to be an attempt to perpetuate the colonial type of economy and to prevent the welding of the indigenous races of Burma into a modern nation.

As the Separation issue had been settled, the anti-Separationists broke up; Dr. Ba Maw formed a new party known as the *Sinye tha* (poor man's) party whose aims were the reform of the land tenure system and the general improvement of the lot of the cultivator. As a result of the world-wide depression of the early thirties and the consequent catastrophic fall in paddy prices, more than half the agricultural land, especially in Lower Burma, had passed from the hands of the Burman cultivators to non-Burman money-lenders and the problem was to get the land back to the Burman agriculturists. In the first and the only general election held under the new constitution in December 1936, Dr. Ba Maw's party secured, however, only 16 seats and U Chit Hlaing's party 12 seats, while the former Separationists led by U Ba Pe (the United G.C.B.A.) secured 46 seats, the remaining 58 seats being held by non-descript political groups, minority communities and sectional interests. Burma's politics thus evinced a tendency towards the multi-group system characteristic of French politics and so unlike the British two-party system under which alone the new constitution could be expected to function effectively for the implementation of responsible Government. The largest single party led by U Ba Pe not having a clear majority failed to form a ministry while Dr. Ba Maw was able to form one with the support of minority groups and became Burma's first Premier. A new party called the *Myochit* or Nationalist party under U Saw broke off from U Ba Pe's party in 1938 and vehemently opposed Dr. Ba Maw. In February 1939 Dr. Ba Maw's ministry fell and U Pu succeeded him as Premier at the head of a coalition with U Ba Pe and U Saw. In January 1940 U Pu got rid of U Ba Pe but in September 1940 was himself displaced by the ambitious U Saw whose premiership lasted till January 1942 when on the outbreak of Japanese invasion he was suspected of contacts with the Japanese and arrested and detained in custody in a foreign land on his way from England where he had gone to plead with the British Government for the immediate grant of Dominion status to Burma. The remaining Ministers continued in office with Sir Paw Tun as Premier till Burma fell to the Japanese when the Governor with Sir Paw Tun and another Minister evacuated to India.

Thus the autonomy granted to Burma could not be put to any constructive nation-building uses as there were no organized parties with well-thought-out political programmes. There were only groups of politicians, the groups being named after the leaders, and the politicians were eager to advance their selfish interests by rapid shifts of their allegiance, from one leader to another. A part of young men fired by genuine patriotism and untarnished by the spoils of office was just rising; it was known as the Thakin party<sup>1</sup> and stood for socialism and *anti-Imperialism*. Though they had won only 3 seats at the 1936 elections, most of these young men had imbibed Marxist ideology when they were students at the Rangoon University, had organized successfully several strikes at the University and had formed

<sup>1</sup> The word 'Thakin' literally means 'Master,' a word usually applied by Burmans to Britishers. The adoption of this label by the Burmans signified that henceforward the Burmans considered themselves the masters of their country.



Students' Unions and several Youth Leagues besides organizing and leading Labour Unions. They had able leadership in Thakin Aung San, Thakin Mya, Thakin Nu etc. This party, pledged to Burma's freedom from British rule, saw that Britain's entanglements and difficulties in World War II were Burma's opportunities.

#### THE JAPANESE INVASION

In 1940 U Aung San with 29 others ("The Thirty Heroes") established contact with the Japanese, underwent military training in Tokyo and formed the nucleus of the Burma Independence Army (B.I.A.) in Siam which came to Burma with the invading Japanese in December 1941 and January 1942. By May 1942 the Japanese were in full occupation of Burma and after negotiations with the Japanese, Burma became on 1 August 1943 an Independent State allied to Japan in the prosecution of the war; Dr. Ba Maw, the former Premier of Burma became the Head of the State with General Aung San as the Defence Minister, Thakin Mya as Deputy Prime Minister and Thakin Nu as Foreign Minister.

While the Burmans thus became for the first time masters of their country, the consequences of Japanese Military Occupation and the pressure of war supplies, coupled with the cessation of rice exports and of imports of essential consumer goods, tended to make the Independence a mockery and led to widespread discontent and during the last phase of the War when Japan's power declined and her defeat seemed inevitable, Aung San and his followers started a country-wide Resistance Movement against the Japanese and even established contacts with the Allied Powers in India. It was then that the Anti-Fascist People's Freedom League (A.F.P.F.L.) was formed under General Aung San's leadership which was destined to play a considerable part in the subsequent struggle for Freedom after the British reoccupation and in the winning of Burma's Independence.

#### THE FREEDOM STRUGGLE

Burma was reoccupied by the Allies in May 1945; the hostilities in the Far East ceased in August 1945 and the Governor of Burma and his British officials returned from their exile in India to Burma in October 1945. A semi-military administration, known as the Civil Affairs Service, Burma (C.A.S.B.), had been set up since May 1945 and this, though originally planned to function for about three years, had to hand over power to the civil authorities in January 1946 but the co-operation of Aung San and the A.F.P.F.L. had not been secured, though it was recognized as very essential for the formation of a popular Government and for the task of rehabilitation and pacification. An important feature of this period was the comparative insecurity in the rural areas which led to the migration of the people to the towns with the consequent abandonment of the cultivation of large tracts of agricultural land and the disruption of the country's economy.

The restoration of the civil government having taken place earlier than originally provided for, the Military Administration had no time to complete

the task of clearing jungles of ammunition dumps and of putting down the armed bandits and dacoit gangs in Arakan, Upper Burma and other parts. The internal transport systems—rail, road and waterways—had been completely disrupted by the operations of the war, the scorched-earth policy in 1942 and Allied bombings in 1944 and 1945. As already stated, rice cultivation had dwindled to the requirements of the local population, Burma having been shut off from the world. All these led to unprecedented economic distress and when to this were added political frustration and rising prices (600 to 700 per cent. above pre-war) and the total repudiation of Japanese currency which wiped off with a stroke of the pen the three years' hard savings of the Burmese people, the picture that post-war Burma presented was one of complete devastation and confusion.

If Burma had been invaded twice, first by the Japanese and then by the Allies, her people had been armed four times, by the British before the invasion, by the Japanese during the invasion, again by the Japanese during the occupation and lastly by the Allies to aid the Anti-Japanese Resistance Movement prior to their reconquest. Besides, the British and the Japanese in their retreats in 1942 and 1945 respectively, had left behind large quantities of arms and ammunition which invariably found their way into wrong hands in Arakan as well as in the areas of Toungoo, Pyinmana, Yamethin and the Sittang Valley. These places became the centres of serious trouble and perpetually threatened law and order. Had the co-operation of Aung San and the A.F.P.F.L. been secured in the formation of a Government at the time of reoccupation, it might have been possible to take his Guerilla Forces into the regular Army and recover the scattered arms. But the Kandy Conference of September 1945 between Aung San and Mountbatten (Supreme Allied Commander of South-East Asia) having failed, the A.F.P.F.L. was in the opposition and the Guerilla Forces went underground.

Even in the normal pre-war years the incidence of crime in Burma was very high and with the legacy of scattered arms and economic distress it is no wonder that the crime wave in post-war Burma mounted up. In one year (1946) some ten thousand dacoities, an equal number of robberies, and about three thousand murders were actually reported, not to speak of unreported cases. The Rangoon-Mandalay railway line which had just been patched up was sabotaged from time to time, the dacoits holding up and raiding train after train. In course of time even road journeys became impossible.

With a view to put down crime and terrorism the Governor promulgated on 4 July 1946 an Ordinance banning the wearing of uniforms by private persons, their drilling and training with weapons and tactical exercises. As a very large number of A.F.P.F.L. men as ex-members of Patriotic Burma Forces (in the former Resistance Movement) had continued the wearing of uniforms and open drilling with weapons, the Ordinance brought the A.F.P.F.L. into open conflict with the Government. The forces of disorder took deep roots and later on even the popular Government of Aung San was unable to put them down. Burma had not thrown up a Gandhi who could have kept the emotional outbursts in check and canalized them into a non-violent struggle.

In the context of rising prices, economic distress and crime, strikes and lock-outs became the order of the day. Even the Police in Rangoon and the districts went on strike in September 1946 demanding higher salaries and dearness allowances. The strike fever spread to other Government servants and the entire clerical staff of the Secretariat joined the Police strike, bringing the Government machinery virtually to a standstill. And on 23 September 1946 there was a General Strike of workers in docks, railways, commercial firms and mills and the paralysis of the entire administrative machinery and transport system was complete. On that day the A.F.P.F.L. demonstrated their strength by marching in military formations in their uniforms, the mammoth processions being led by General Aung San and other leaders of the A.F.P.F.L. This bloodless revolution brought about the downfall of the Sir Paw Tun ministry, consisting of Governor's nominees and on 26 September 1946, Aung San formed an Interim Government with an A.F.P.F.L. majority and started negotiations with the British Government. He visited the United Kingdom and on 27 January 1947 concluded the famous Aung San-Attlee Agreement 'as to the methods by which the people of Burma may achieve their independence either within or without the Commonwealth, as soon as possible'. Accordingly the General Elections of April 1947 set up a Constituent Assembly<sup>1</sup> and the new Constitution was drafted and passed in September 1947. In the meantime Aung San and six other Ministers had been assassinated on 19 July 1947 by Aung San's political opponents. One of Aung San's closest collaborators, Thakin Nu, formed a new Cabinet. Thereupon Thakin Nu paid a visit to the United Kingdom in order to arrange for the transfer of power. A Treaty was concluded on 17 October 1947 between Prime Minister Attlee and Thakin Nu on behalf of the Government of the United Kingdom and the Provisional Government of Burma respectively. The United Kingdom Government agreed to recognize the Republic of the Union of Burma as a fully independent State and to pass the necessary legislation through the British Parliament. According to the Defence Agreement concluded at Rangoon on 29 August 1947 between the two Governments, which was incorporated as an integral part of the Treaty, the United Kingdom Government agreed to 'move out of Burma all United Kingdom troops as soon as possible after the date of transfer of power' and 'in accordance with the wishes of the Government of Burma the United Kingdom Government agreed to provide a Naval, Military and Air Force Mission to Burma and to provide training facilities in His Majesty's establishments for personnel of the Burma forces'. Pending the conclusion at an early date of a mutually satisfactory Treaty of Commerce and Navigation, the two Governments agreed to conduct their commercial relations with the least possible disturbance. The notes exchanged between Attlee and Thakin Nu in this connexion specifically provided for the grant of equitable compensation by the Government of Burma for any expropriation or acquisition of United Kingdom interests in Burma. To give effect to the

<sup>1</sup> The Assembly consisted of 173 members belonging to A. F. P. F. L., 7 Communists, 24 Karens, 44 representatives of Frontier areas, 2 Independents and 4 Anglo-Indians.

above treaty the Burma Independence Act was passed by the British Parliament on 10 December 1947 and as provided therein the new Constitution of the Union of Burma came into force on 4 January 1948 and Burma emerged as an Independent Sovereign Republic outside the British Commonwealth, the withdrawal of British Power taking place on the same date. A Shan chief, Sao Shwe Thaik, was chosen as the President of the Union of Burma and Thakin Nu became the Prime Minister of a National Government.

#### THE CONSTITUTION OF THE UNION OF BURMA

The Constitution is of a federal type, somewhat on the Canadian model, and incorporates the areas occupied by indigenous racial minorities as autonomous units. The following are the constituent units of the Union of Burma:—

- (1) The Shan State comprising the former 33 Shan States and the Wa States;
- (2) The Kachin State comprising the former districts of Myitkyina and Bhamo
- (3) The Karenni State comprising the 3 former Karenni States:—
- (4) The Central Unit comprising all the remaining territories including two special areas.
  - (i) The Special Division of the Chins comprising the former Chin Hills District and Arakan Hill Tracts.
  - (ii) The 'Kawthulay' Special Region comprising the Salween District and the adjacent areas occupied by the Karens.

There is a special provision in the Constitution for the formation of a Karen State as an autonomous unit of the Union from the Karenni State, the Salween District and such adjacent areas occupied by the Karens as may be determined by a special commission in the near future.

The Union is not an indissoluble one; every constituent unit except the Kachin State has the right to secede from the Union but the right of secession cannot be exercised within ten years from the date of commencement of the Constitution.

The Preamble to the Constitution follows closely on the lines of the Objectives Resolution of the Indian Constituent Assembly. The Fundamental Rights follow closely again, both in form and content, those of the Draft Indian Constitution. These include rights of equality, rights of freedom, rights relating to religion, cultural and educational rights, economic rights and rights to constitutional remedies. There is only one citizenship of the Union and no separate citizenship of a constituent State. While private property and private enterprise are guaranteed, private monopolist organizations are forbidden. Nationalization of branches of national economy or private enterprises, with compensation to the owners is provided for. The State language is Burmese but the use of English is permitted. A Chapter is devoted to the enunciation of certain directive principles of State Policy which are recommended for the general guidance of the State, but, as in the case of

the Draft Indian Constitution, these are not enforceable in any Court of Law. Their general tendency is towards large-scale planning and support of cooperative organizations and collective farms.

The Executive power is vested in the President of the Union to be elected by both Chambers of Parliament in joint session for a five-year term, re-election being permitted only once. He summons, prorogues and dissolves the Parliament on the advice of the Prime Minister and has no right of vetoing bills. He is thus a constitutional head as in other democratic constitutions of the world.

The Union Parliament consists of a Chamber of Deputies of 250 representatives elected on adult franchise by territorial constituencies on a population basis and of a Chamber of Nationalities comprising 125 members, 72 of whom represent the States, special areas and the Karens and the other 53 represent the remaining people of the Central Unit. Both houses are simultaneously elected for a period of four years and are dissolved together.

The Union Government is a Cabinet consisting of a Prime Minister and other Ministers collectively responsible to the Chamber of Deputies and it is thus modelled on the British Parliamentary system. The Cabinet shall include one Minister for each State and special area chosen from among their respective representatives.

The States have exclusive legislative and executive powers over matters specifically enumerated whilst the residual powers are reserved to the Union. They also have exclusive revenue resources specially assigned to them. Each State Council which is the legislature for that State is constituted with the members representing that State in the Union Parliament. The State legislature is thus virtually a Committee of the Union legislature. The Minister in the Union Government for each State is the ex-officio Head of that State and is bound by the decisions of the State Council. The State Governments are of the fixed Cabinet type elected by the State Council not necessarily from among the members. It will be noticed that the State Councils are not elected by the State electorates on State issues but by the national electorates on national issues.

There are no separate federal and regional (or State) Judiciaries, no parallel hierarchy of courts. There is only one High Court (with branches) and one Supreme Court for the whole Union to which the States' courts are subordinate.

It will be seen that the Constitution of the Union of Burma presents some unusual features. There is no separate regional Government (legislative, executive or judicial) for the Central Unit comprising 80 per cent. of the total area and 90 per cent. of the total population, which is the most important in point of political experience and economic development. This Central Unit is administered direct by the Union. With such a big departure from the orthodox federal type and with a unified judiciary the Constitution approaches the unitary type and should make for a strong Central Government. Similar provisions in the same direction are for a Minister of the Union Cabinet to function as the Head of the State executive and for a Committee of the

Union Parliament to function as the State legislature; while conceding a large measure of autonomy to the educationally and economically backward racial minorities, they ensure greater harmony and maximum co-operation between the constituent units. The right of secession would, however, seem to emphasize the ultimate federal structure; while this may be a gesture of extreme generosity on the part of the majority, the incorporation of such a provision in the Constitution itself is a measure of doubtful wisdom and against the modern trend of federal Constitutions.

#### THE PRESENT SITUATION

The events of the immediate post-war period leading to the attainment of Burma's Independence clearly showed the formidable strength of A.F.P.F.L. and *Bogyoke*<sup>1</sup> Aung San's hold on the Country. In the struggle for freedom against foreign rule, the diverse elements in Burma's political life had put up a united front. Conservatives and Liberals, capitalists and labour, socialists and communists, the landed gentry and the landless peasants had made common cause against British rule and foreign vested interests. But soon the ambitions of individuals, the rivalries of groups, the clash of ideologies and differences as to the mode and the pace of achieving national objectives—all these created stresses and strains in the A.F.P.F.L. and they found expression in open dissensions.

The Communists were naturally the first to give trouble which led to their expulsion from the A.F.P.F.L. They went underground and in April 1948 they started trouble in Central Burma, employing their usual tactics, such as exploiting economic distress, sabotaging communications, raiding treasuries, police stations and arms depots. The Communist Insurrection split the Peoples Volunteer Organization (PVO) which was the strongest and biggest unit in the A. F. P. F. L. The PVO was in fact not only the militant wing of A. F. P. F. L.; it was also its *Military Wing*, the Home Guard which had borne the brunt of the fight against the Japanese and from which the recruits for the Army and the Military Police had been drawn later. The PVO was now split into a numerically large body called the 'White Band' PVO consisting of Communists or near communists opposing the Government and a smaller body called the 'Yellow Band' PVO consisting of socialists supporting the Thakin Nu Government. Thakin Nu as President of A. F. P. F. L. made a bid for leftist unity with his 14-point Unity Programme but this failed to save the split. In July 1948 the White Band PVO rose in open rebellion against the Government. About this time there were also desertions from the Burma Army, some 600 soldiers and a few officers under Brig. Ze Ya going over to the side of the rebels. Their subsequent march towards Rangoon to capture that city was interrupted by Government Forces at Tharrawaddy.

Taking advantage of the Government's preoccupation with the Communists and White Band PVO, the Karens became more subversive in their activities day by day. When the joint menace of Communists and White Band PVO was about to be eradicated, the Karen Insurrection assumed formidable pro-

portions about the beginning of this year (1949) and put the Government in a number of tight corners. The Karens were a racial minority bolstered up under British rule by separate electorates and communal representation. They had more than their due share in the Government services and in the Army and the Police. They had grown nervous of maintaining in a free Burma their privileged position against the numerically strong Burmese. The Burmese were, however, treating them with extreme generosity. There were two Karen Ministers in the Cabinet; one of them was actually in charge of Karen Affairs. Under the Constitution the Karens had been promised an autonomous State within the Union in the same way as the other minorities, the Shans, Kachins and Chins. The Karen ambitions however mounted up and they wanted a separate, sovereign Karen State outside the Union of Burma with a separate Army and a right to conduct relations with foreign powers on their own. Their population which according to the Census Report was 1.3 million was stepped up first to 2 millions and then to 4 millions in order to bolster up their claim of separate nationhood. To find a parallel one should go to the Muslim demand for Pakistan.

The Karens formed 7 per cent. of the total population of Burma. Among the Karens the majority, about five-sixths, were Buddhists and their interests political or economic were in no way different from those of the Burmese people. The remaining one-sixth were Christians who receiving education and medical help from the American Baptist mission and looking up to British rulers for their material advancement had developed an anti-national outlook, and fishing in troubled waters they skilfully exploited the racial feelings of even Buddhist Karens. The main difficulty in meeting the demand for any sort of 'Karenistan' is that the Karens are not concentrated in any particular area but are scattered throughout the Delta and the Tenasserim, say in some 20 districts. They form only one-sixth of the total population of these districts and even in the Tenasserim Division where they are most concentrated they form only 30 per cent. of the total population. It is not easy to demarcate any contiguous area where they form a majority of the population and any arrangement is bound to leave twice or thrice as many Karens out as it brings in, not to speak of leaving a considerable number of Burmans also in. In spite of these difficulties the problem of Karen autonomy was tackled by the Government of Burma in right earnest. A Boundary Commission (called Commission for Regional Autonomy) was set up under the Chairmanship of Sir Ba U, the Chief Justice of the Supreme Court and on the basis of the findings of the Commission an agreement was reached between the Government and the Karens on the area marked out and the boundaries. Even the date for signing the agreement had been fixed when suddenly on the day before the appointed date the Karen insurrection began at Insein hardly 10 miles from Rangoon.

While the negotiations were going on, the Karens were openly gathering arms into their villages under the pretext of 'village defence units.' There was no need to do this unless the Karens were planning to rise against the Government. Three or four battalions of the Burma Army were manned by

the Karens and in the Government Forces the Karens outnumbered the Burmans themselves. Even the Commander-in-Chief General Smith Dun was a Karen Christian; the Deputy C-in-C of the Army, the C-in-C of Air Forces and a large number of naval officers were all Karens. The position of the Government can be easily imagined when such important key positions as well as the general strength of the army remained in the hands of a minority group who when they deserted left the Government with nothing but chairs and tables in the Army Headquarters. So when the Karens collected fire-arms for so-called village defence all that the Government asked was that the villagers should take out licences for the fire-arms and thus comply with the ordinary law of the land. The motive for Karen refusal and recalcitrance was obvious. They were planning to overthrow the Government or to display such a magnitude of armed strength in the country which coupled with their strength in the Army would put the Government in jitters and intimidate them into conceding the Karen demand of a separate State. The Government saw through the game and naturally refused to allow the Karens to go on collecting arms in open defiance of the law. Hence the Insurrection.

The Karens first attacked Insein and made it impossible for the Mingaladon Air port to function for a few days. The Karen insurgents moved to within five miles of Rangoon which was their objective. Disaffection spread to the Karen units of the Burma Army who naturally carried away large quantities of arms with them to the side of the rebels. When it is remembered that it took more than 4 months of hard fighting by Government Forces to dislodge the Karen rebels from the Insein area, the quantity of arms collected by the Karens and the numerical strength of the forces massed by them can be easily imagined and the question whether they were previously collecting arms only for village defence can also be answered. Up in the north a Karen battalion stationed at Maymyo had revolted. Another Karen battalion from Central Burma moved up to Mandalay to join hands with the battalion at Maymyo. With its forces tied up with Communists and White Band PVO in several parts of the country, the Government found that its very existence was threatened by the Karen insurrection and the revolt of the Karen battalions.

It was at this time that the situation in Burma attracted the attention of the outside world. When the Government of Burma approached the Government of the United Kingdom for a temporary loan to finance the rice exports and to buy the arms, the outside world began to talk glibly of mediation between the Karens and the Burmans as if it was a question of war between two nations. The Government of Burma could not accept such a position and the people of Burma naturally resented the raising of false issues. The disorder in the country amounted at the most to a civil war, the settlement whereof was Burma's domestic concern. Any such mediation would have compromised Burma's sovereignty besides raising international complications for the Burma Government, such as referring the question to the United Nations Organization. One has only to recall what happened over the Kash-



mir issue and what was nefariously attempted over the Hyderabad issue. The Government of Burma stood firm maintaining that there was no case for mediation by any outside Power, however friendly that Power might be like India or Britain. The Burma Government felt that at a time when the Karen insurgents were losing ground and were being gradually ousted from their strongholds, any talk of mediation from outside would only encourage Karen intransigence. If the question of 'mediation' was to be linked up with that of 'aid' to Burma, Burma would rather not take the aid at all and she was quite competent to put down the rebellion though the time taken might be a little longer and in the meanwhile Burma's rice could not be made available to the outside world. And, as the sequel did prove, though the aid was promised and arranged for without any question of mediation, Burma did not actually resort to the aid but nevertheless succeeded in a great measure in putting down the rebellion. It is not realized outside Burma that the Government had the backing of a large majority of Karens themselves against the insurgent minority.

The situation about the middle of May 1949 was grave and was briefly as follows:—The Insurgent advance was stopped on the Prome road at Taikkyi and on the Mandalay road at Daiku north of Pegu. But in the north the Communists were still strong between Ymethin and Toungoo and the White Band P. V. O. from Prome all along the Irrawaddy. In the south, Bassein the important rice-exporting town was in Government hands but the surrounding districts were in the hands of White Band PVO. In the south-east, Thaton was under Karen control. In Arakan the Red Communists were in control of the coastal areas and Arakan Muslims had control of the north i.e., Buthidaung and Maungdaw townships on the Chittagong border. There was also a danger of Chinese infiltration in the north-east i. e. in Kengtung State due to the southward drive of the Communists in China.

The position has since considerably improved; there are only small pockets of resistance and the Government have no need to feel nervous. The White Band PVO and Communists are holding Prome, Paungde, Magwe and Pyinmana. The Karen pocket is only in Toungoo. The main cities in Arakan are in Government hands; only the position in the interior is a little fluid. The danger of Chinese infiltration seems to be receding but the threat could recur at any time, the nature and magnitude being difficult to forecast.

It is hoped that by the end of 1949 the Karen resistance would have been completely liquidated and that the Communists and White Band PVO would have been ousted from most of the areas they are now holding. In the new year the position might show still further improvement and the authority of the Government extend to every nook and corner of the land. A civil war ravages a country and exhausts its people to a far greater extent than war with other nations and the problems of reconstruction that any Government in Burma would have to face for a whole decade would tax its political acumen and economic realism. In these stupendous tasks the Government and the people of Burma have our best wishes,

## REVIEWS AND NOTICES

### INTERNATIONAL AFFAIRS

**PROBLEM OF SOCIAL SECURITY:** Preparatory Asiatic Regional Conference of the International Labour Organization, Report I. 1947 (New Delhi: International Labour Organization).

SOCIAL security is coming more and more to the forefront as our economy grows more complex adding to the burden of our social problems. Today the individual is lost in the complexity of the modern vortex of life. Increasingly the individual is being made the victim of an economic system over which he has no control, and social security is, above all, what an individual needs for his peace of mind. Thus it was that in 1944 at the Philadelphia session of the International Labour Conference two guiding principles were accepted: income security and medical care, the social security system to cover cash benefits in case of inability to work or obtain work; and the services designed to prevent or remedy the need for cash benefit, that is, medical care and placement in suitable employment.

In the countries of Asia where industrial development is still very limited, social security measures are still in an embryonic stage. It was therefore natural that the subject of social security should find the first place on the agenda of the Preparatory Asian Regional Conference of the ILO held at Delhi.

The question is as vast as the multitude of problems, social, economic, political, financial, administrative involved in the realization of this scheme. The Report therefore naturally covers a vast ground, both broad principles as well as certain details. The broad heads are: (1) social security as an objective of social policy; (2) social security provisions in certain Asian countries under which are listed the various forms of social insurance schemes such as Workmen's Compensation, Work Benefit Schemes, Social Assistance, Welfare Funds, Social Insurance Plans, Maternity Benefits and Social Insurance Legislation; (3) Basic issues of policy under which come Social Assistance, social security for peasants and organization of medical care; (4) Development of income security services for wage-earners dealing with development of social insurance as a whole and by branches; (5) Development of medical care services to cover rural, urban and industrial population. Last but not least come the questions of income security and schemes for medical care.

Social security has today become almost a dynamic concept exercising a terrific impact on all national policies. In its limited sense it is taken to mean freedom from want as assured by the benefits in cash and in kind of social insurance or social assistance schemes covering the principal risks which deprive workers and their dependents of their means of subsistence. The term of course emphasizes the objective rather than the method of attaining it. It must be borne in mind that cash benefits by themselves cannot relieve the individual worker from suspense and anxiety unless certain benefits in kind such as placement in suitable employment and medical care are made complementary to the cash benefits paid; as also availability of medical care made easy. Moreover

in any event the scale and duration of the payments must be in reasonable relation to the need. The income security and medical care must necessarily vary from country to country according to their respective national conditions which in turn must influence the length of the period within which it will be possible to carry out the principles recommended. For the Asian countries, with their vast agricultural populations, face an enormous problem. Social insurance for the peasants is yet new and calls for a new approach and treatment.

KAMALADEVI CHATTOPADHYAY

1. INDUSTRIAL RELATIONS : Report VIII (I). 1947 (Geneva : International Labour Office).
2. WAGES. Report VI (a), 1948 (Geneva: International Labour Office).
3. MIGRATION FOR EMPLOYMENT. Report XI (1), 1948 (Geneva: International Labour Office, Rs. 4/3).
4. MIGRATION FOR EMPLOYMENT. Report XI (2), 1948 (Geneva: International Labour Office, Rs. 5/14).

WHATEVER may be said of the contribution of I. L. O. towards increasing labour welfare and establishing industrial peace in the world, and of course, it is not by any standard insignificant, the International Labour Office at Geneva surely deserves our gratitude for the excellent work that they are doing by distributing through their publications knowledge regarding conditions of labour in various countries.

It is to be recognized that labour is not a commodity to be bought at the cheapest price without regard to the effect of its income upon the psychology and physical efficiency of labour. It is also to be recognized that under capitalism, employers, guided by individual profit and influenced by short period considerations, tend to take advantage of the weak bargaining power of labour. And, of course, so long as labour remains unorganized, this 'exploitation' goes on leading to a cumulative deterioration in its economic position. On the other hand, if labour, conscious of the weakness of individual bargaining, leaves off competition and faces the employers as a body, the market tends to take the character of a bilateral monopoly and its working tends to be indeterminate and hence chaotic. Here is an inherent contradiction in the working of the capitalistic system to resolve which State intervention is urgently called for. While the workers' right to organize must be granted, the determination of wages and conditions of labour must not be left to the play of strength of trade unions against the capitalist group, for that way lie strikes and lock-outs. The State must be there as a stabilizing factor,—an intermediary between the two opposing groups,—if disorder and confusion leading to destruction of wealth are to be avoided.

Further, measures concerning improvement in the status and conditions of labour must, if they are to be successful, be conceived on the international level. Expenditure on labour by way of wages, social security contributions, provision for amenities of life etc. forms a major part of the cost of manage-

ment. In the short period, at any rate, therefore, higher costs on these accounts, in so far as they are not immediately compensated by higher productivity, may insure the position of a country undertaking them relatively to others in the international market. An atmosphere of 'cut throat competition' is inimical to any progress on the labour front, and international economic cooperation which is a major condition of world peace and hence world progress implies concerted international effort at regulating wages and earnings, hours and conditions of work, including emigration and immigration.

The International Labour Organization established in 1919 as a supplement to the now defunct League of Nations is in itself a recognition of the principle of tripartite cooperation—between the State and employers' and workers' organizations—for social amelioration at an international level. The Reports under review contain an exhaustive account of the activities of the Organization and the post-war plans concerning industrial peace, wage policy and migration for employment.

The Report on Industrial Relations sets out the law and practice in different countries concerning (a) the right to organize and to bargain collectively, (b) collective agreements, (c) conciliation and arbitration and (d) cooperation between the public authorities and employers' and workers' Organizations,—this last being considered in turn at the level of the firm, at the level of the industry and at the level of the country as a whole. The Report concludes that 'the status and powers of the national agencies vary so widely, in the countries where they have been established, that it does not appear possible at present to proceed to an international regulation of the matter by means of a convention' (p. 198).

The report on wages sets out the objective of wage policy and the factors relevant to wage determination and provides an analysis of the relation between wages, price level and employment very much on Keynesian lines, ending up with a systematic study of the economics of 'guaranteed wages.' Chapters IX, X and XI dealing with wage guarantees and their application seem to be the most interesting part of the Report. Here we have an analysis of the main types of wage guarantees, their estimated costs, and savings and their effect upon consumers' expenditure, investment expenditure and the general level of economic activity and employment. The general position taken is not too reassuring. 'Wage guarantees,' the Report concludes, 'could be expected to have only a limited stabilizing effect on total demand, and consequently on the general level of economic activity and employment; they would not by themselves eliminate cyclical fluctuations' (p. 279). And yet a wide-spread adoption of the system is suggested as part of a national and international plan for economic prosperity, and the following conclusion of the United States report on *Guaranteed Wages* is quoted with approval: 'the guaranteed wage, used with care, with full recognition of its limitations, and with eyes open to dangers in exceeding those limitations, can become an integral part of a rounded programme for greater security, for harmonious industrial relations, and for a more lasting prosperity' (p. 280).

The last two Reports on Migration for Employment contain the draft text of Conventions and Recommendations concerning recruitment, placing and conditions of labour of migrants for employment, replies of different Governments to the draft text and the report which the Permanent Migration Committee adopted at Geneva in January 1949. The object of the Conventions in general is to help finance orderly and desirable migration and to secure guarantee to the migrants against discriminatory treatment.

A. K. DAS GUPTA

## SECOND REPORT OF THE INTERNATIONAL LABOUR ORGANIZATION TO THE UNITED NATIONS, 1948 (Geneva: International Labour organization.)

This report is the second of the series of reports of the ILO to be annually transmitted to the United Nations under Article V (2) of the Agreement between the two organizations. However with a view to meeting the recommendations of the Co-ordinating Committee of the UNO and special agencies, the period covered by this report is limited to eight months ending with 31 March 1948. The future reports will however cover a full year. As a result of the curtailment of the period reviewed, this report does not include any reference to a session of the international Labour Conference and its emphasis on current activities is different from what would be expected from a report for a normal year.

The information contained in the report is according to a plan. Particulars of membership of the ILO and of its Governing Body, a list of the different committees and their composition, and a list of the meetings convened by the ILO and the meetings of other international agencies in which the ILO was represented are noted in the appendices to this report.

The report is divided into 15 chapters, each dealing with a particular aspect of the labour problem. Man-power problems, freedom of Association and Industrial Relations, Social Security, the Protection of Children and Young Persons, Women's Work and Industrial Safety are dealt with in the first six chapters. In the following two, the problems of maritime labour and life and conditions of workers in agriculture are dealt with. The work of the Industrial Committees and the present position of labour statistics are reviewed in chapters IX and X. In chapter XI the regional activities of the ILO, particularly with reference to the Preparatory Asian Regional Conference, the regional meetings for the EAST and the Far East and the proposals for the intensification of regional activities, are noted. The concluding chapters of the report give an account of the advisory mission, the programme of work, certain administrative and financial problems and the relations of ILO with the UN and other world organizations like WHO, FAO etc. are noted. The nature of the different problems and the issues arising from them and the lines in which they have been tackled by the ILO are summarized.

This report is very useful both to those who have not the time to peruse the special reports published by the ILO but would like to have a bird's-eye-

view of the way the labour questions are being handled and to those who are specializing in social questions. These specialists are assisted to get to the original sources by this yearly digest.

K. S. VENKATARAMAN

**THE NEW ZEALAND ECONOMY IN WAR AND RECONSTRUCTION.**

By J. W. WILLIAMS. 1948 (New York: Institute of Pacific Relations, \$ 1.75).

The last occasion on which I reviewed a book in these columns I attempted to give the reader some idea of a volume entitled simply *New Zealand*, which was, I considered, ideally suited both to the general reader as a first introduction to my country and to the student of New Zealand for, leaving aside the special requirement of the serious researcher intent on a detailed study of a particular aspect of New Zealand life (and even he was provided with much material in an extensive bibliography), the whole field of human activity in New Zealand was, I considered, adequately covered and fairly represented.

On this occasion it is indeed a very different kettle of fish as Mr. Williams' 'study', as he calls it, is just what the book *New Zealand* is not. It is a detailed investigation of the economic sector of New Zealand life and an earnest attempt to evaluate the success or failure of the various methods and devices of economic control applied during the war and subsequently. It is primarily a study by an economist for economists but there is much in it that is of interest to the student of political science, and even the general reader—but he would have to be of a fairly serious turn of mind—will find in it much of interest and enlightenment.

Mr. Williams is well equipped for this task. He is a Lecturer in Economics at the University of Otago, one of the constituent colleges of the University of New Zealand, and started this work well ahead of scratch as it was suggested to the author by Dr. H. Belshaw when he was Research Secretary of the Institute of Pacific Relations and is planned on the basis of a data paper prepared by Dr. Belshaw for the British Commonwealth Relations Conference in 1945. The study was commenced towards the end of 1946 and completed in May 1947. To this extent it is dated.

It is sometimes argued, with some force of reason, that the disinterested spectator is in a better position to pass judgement on a matter than is one closely involved and, following this line of reasoning, it might fairly be claimed that a study such as this might be better performed by an outsider, by one not intimately involved in, and affected by, the results of the activities he is investigating, but this surely is a counsel of perfection and the detailed knowledge that goes to the preparation of a study such as this is inseparable from long contact with the affairs of the country concerned. There is the danger that the local man may be influenced by a partisan spirit but I think this danger is less serious than the danger of superficial judgements which are often the product of the investigations of the outsider. Mr. Williams' academic position and the extent of his investigations are, I think, sufficient evidence that he has not donned the cloak of partisanship.

The world is sharply divided these days between those who maintain that economic controls are essential to progress and those to whom any form of economic control is anathema. The conflict between the two schools of thought, control and no control, is exemplified, if I may quote an example, by public reaction to the housing situation in New Zealand. For the past several years there has been a gradual relaxation of controls on building materials and paralleling it a steady increase in the total number of houses built each year. At the same time there has been a sharp increase in the number of houses built by individuals with, of course, a corresponding decrease in the number of houses built by the State. The exponents of control maintain stoutly that this healthy position is the result of the wisdom of the controls while the anti-controllers just as stoutly maintain that the increase in building has only come about through the removal of controls. As to which is cause and which effect they cannot agree, the only fact they accept in common is that housing is still a major problem but they are poles apart in the solution they would offer to the problem. Mr. Williams, as is appropriate to a work of this kind, comes down neither on the one side nor the other, nor can he be accused of sitting on the fence, as in those cases where there is ample evidence available about the workings of particular controls and specially where statistics are available in support of that evidence, Mr. Williams has attempted judgements but appropriately they are judgements of particular controls in particular settings, and not a judgement on the overall question of controls *versus* no-controls.

In the two years and more that have elapsed since this book was written much has been done in New Zealand both in the direction of the removal of controls (of ordinary consumer goods, only butter and petrol are still rationed) and the reinforcement of others, and it would be possible to write an appendix, if not another volume, to bring the information in the book up-to-date. There is considerable temptation to the reviewer to try and do this but it is a temptation to be resisted out of fear of stressing some developments and overlooking others. This is a research work and a scholarly book. It would be presumption to attempt to add to it without equivalent research and scholarship.

The reader in India, who is not well acquainted with New Zealand should, in approaching this work, bear in mind at least two vast differences between the economies of India and New Zealand. Firstly, New Zealand has an external trade larger per head of population than any other country, and so of necessity it is a dependent economy, dependent in proportion to the magnitude of its external trade. It is consequently proportionately vulnerable to changes in the direction and terms of foreign trade and a considerable number of its controls have their genesis in this fact. Secondly, New Zealand is a comparatively small and homogeneous administrative unit and many of the administrative actions essential to the controls implemented there are probably successful only because it is such a small administrative unit and equally probably would not be successfully applicable to any vastly larger adminis-

trative unit. This does not mean that they should not be tried elsewhere but it would be quixotic to expect from them elsewhere a similar degree of success or failure as has attended them in New Zealand.

R. J. INGLIS

**BRITISH PREFERENCE IN CANADIAN COMMERCIAL POLICY.** By DOUGLAS R. ANNETT. (Toronto: Canadian Institute of International Affairs).

The Havana Charter for the International Trade Organization contains a Provision (Article 16) by which every signatory member is required to accord to every other member equal treatment with respect to customs duties and customs regulations and formalities. This provision exempts existing tariff preferential systems in the world pending their eventual elimination by negotiation, but meanwhile, existing preferences may not be increased or new preferences created. This Charter, being the first important step towards the establishment of free multilateral world trade, is likely to be ratified by many countries, including those in the Commonwealth, which means that the existing system of Imperial or Commonwealth preference cannot be extended though it can be continued in its present shape. Imperial preference will, therefore, suffer a serious modification and this is a convenient point to study its weaknesses and virtues. In this book, Mr. Annett has utilized Canadian experience in the British preferential system as the laboratory in which to study the problem, the object being to determine 'whether, and at what cost, the principle of British preference can be eliminated from Canadian commercial policy'.

British preference had been recognized in Canadian tariffs ever since 1897, though there was no reciprocity from Britain until after the ghost of free trade had been finally laid after the end of the first world war. The growth of preference thereafter culminated in the Ottawa agreements of 1932; in 1939, about 90 per cent. of the value of all Canadian imports from the Empire and about 50 per cent. of the total value of exports to the Empire were effected by preferences.

In tracing the history of Canadian commercial policy up to the Ottawa agreement, the point that emerges is that the long period of British resistance to the grant of reciprocity of preference gave Canada ample opportunity to experiment with the preference system and to adjust it in a way that prevented its interference with the development of its industrial plans. Canada, along with Australia benefited from the Ottawa pact by a great increase in her exports but as there was much transfer of American business to Canadian branch plants there was no corresponding industrial expansion. Canadian farmers and dairymen had also become dissatisfied with the policy and were prepared to support a policy of closer commercial relations with the United States. The result was an agreement in 1935 with the United States which liberalized the latter's policy to Canada and compelled it to make modifications in the Ottawa agreement, which were made in the following year.



A review of these negotiations confirms the author's conviction that the Ottawa system was in large part 'crisis-motivated' and a facet of an anti-depression tariff policy which soon brought out the difficulties of Canada in maintaining friendly relations with the United States, the only other country next to the U.K. on which her prosperity depended. This is, perhaps, a conflict which will arise more frequently in the future event in other countries and the importance of maintaining good commercial relations with the United States may narrow down preferential margins until preference becomes barely recognizable. Mr. Annett is unsparing in his criticism of the effects of preferences on freer multilateral trade objectives and considers Imperial Preference incompatible with a high level of world trade and maintenance of world peace and even disposes of Prof. Balogh's theory of 'controlled' multilateralism within a bloc in these words: 'Although the bloc might succeed in improving its own welfare position this might be accomplished only at the expense of the rest of the world trading community'. This is a sweeping condemnation which does not adequately meet Prof. Balogh's point that the maintenance of full employment within the bloc would result in higher and more stable purchasing power with inevitable benefit accruing to outsiders.

The book is a plea for the ultimate elimination of all preferences based on a sincere belief that free trade would conduce to the greatest good of the world. But it is a belief which will not too readily be shared by countries which are in different stages of development.

E DA COSTA

#### ATOMIC ENERGY: ITS INTERNATIONAL IMPLICATIONS: A

Discussion by Chatham House Study Group, 1948 (London: Oxford University Press for the Royal Institute of International Affairs, 4s. net).

At the initiative of the Council of the Royal Institute of International Affairs, an Atomic Energy Study Group was appointed in the autumn of 1946. The Group included distinguished men of science and political thinkers. It had on it, amongst others, Lord Hankey, Prof. (now Sir) J.D. Cockcroft, Director of Atomic Energy Research Establishment, Harwell, Sir Henry Dale, distinguished for his medical researches and President of the Royal society (1940-45), Sir Oliver Franks, Permanent Secretary (1945-6) to the Ministry of Supply and Dr. H.E. Wemperis, Director of Scientific Research (1925-37) to the Air Ministry.

The book is a collection of papers prepared by members of the Group and which were discussed at its various meetings. It is divided into two parts: Part I is concerned with the scientific and technical aspects of atomic energy and possibilities of its applications under peace and war; Part II deals with the impact of atomic energy on sociological, human and international problems and the question of its international control.

As stressed by Sir Henry Dale in the opening chapter, the problem of harnessing and control of atomic energy is the most important of all problems facing mankind at the present time. If disastrous consequences are to be averted,

it is obvious that the use of atomic weapons, and also other weapons of indiscriminate mass destructions, cannot be left to the uncontrolled judgements of individual nations. As Sir Henry Dale rightly points out, no possibilities of achieving success in this direction can, however, arise without agreement on the part of the leading world powers to surrender, in requisite measure, their national sovereignties: 'And this, if once conceded, might provide a first step towards a world government of international relations under the United Nations, with abandonment of all military secrecy and eventual complete disarmament'.

Chapter II deals with the scientific and technological background. The first part of the chapter on scientific background is by Prof. Peierls, and the second part on the practical realization of the release of atomic energy and of atomic weapons is by Prof. Oliphant. It traces in brief outline the growth of the basic ideas of atomic energy and gives an account of the fission phenomenon and the chain-reaction. It was first suggested by Frisch and Chadwick that a fission chain-reaction would lead to excessive release of energy. After some preliminary calculations by Peierls as to the amount of the uranium isotope required to initiate a chain-reaction, much thought was devoted in U.K. to the problem of the separation of isotopes of uranium on a large scale. Contacts were also made between British and American scientists, and towards the end of 1942 experimental work in America had reached a stage when it was fairly clear that an atomic bomb could be realized in practice, if sufficient effort was forthcoming towards that end. This led to the establishment of what is known as the Manhattan Project which was put under the executive responsibility of General L.R. Groves, a professional army engineer. 'One immediate result of the new direction of the project, formerly managed by the Office of the Scientific Research and Development, was the complete severance of contact with British workers. The co-operation which had stimulated and fostered the scheme was ruthlessly suppressed, while within the United States the project was "compartmentalized"'. It is a tremendous tribute to the sheer ability of General Groves that under such conditions he was able to direct the various parts to success in so short a time'.

How the test (July 1945) of the first atomic bomb was done under Oppenheimer at Los Alamos in New Mexico is now all too well-known. The news of the successful test was communicated to Churchill and Truman who were at the time in Potsdam where consultations were going on between the Big Three on matters relating to the defeated German Reich and the Pacific War. The decision was made by Churchill and Truman, without the knowledge of or reference to the third member of the Big Three, to use the atomic bomb against the Japanese cities. On 6 August 1945, Hiroshima was destroyed, followed again by the bombing of Nagasaki three days later. The casualties both at Hiroshima and Nagasaki were excessive: about 80,000 were killed and missing in Hiroshima, and about 40,000 in Nagasaki. These large casualties were, in no small measure, due to the peculiar circumstances under which the bombs were dropped. Referring to the Hiroshima bombing, which took place at 8.15 A.M. on 6 August the United States *Strategic Bombing Survey*

*Report* says: 'Most of the industrial workers had already reported to work, but many workers were en route and nearly all school children and some industrial employees were at work in the open on the programme of building removal to provide fire-breaks and disperse valuables to the country. The attack came forty-five minutes after the all clear had been sounded from a previous alert. Because of the lack of warning and the populace's indifference to small groups of planes, the explosion came as an almost complete surprise and the people had not taken shelter. Many were in the open, and most of the rest in flimsily constructed homes or commercial establishment.'

Chapter III deals with raw materials and mining problems and Chapter IV gives applications of nuclear energy in war. Chapter V is on the peaceful uses of atomic energy. It gives an account of the nuclear reactor, also known as the pile, and describes the technical difficulties which would have to be overcome before atomic energy can be used on an industrial scale.

In chapter VI the plans for international control are briefly reviewed. It gives an account of the Lilienthal proposals, the Baruch plan and the Russian plan which were submitted and considered by the United Nations Atomic Energy Commission.

Chapter VII is on the control of nuclear energy and the development of international institutions. The last but one chapter is on international co-operation and the development of atomic energy, and the last chapter is on the 'human element'.

The book takes us to the end of 1947. As is now well-known, any reasonable prospects of agreement regarding international control of atomic energy appear very remote indeed. It is now more than a year since the Atomic Energy Commission of the United Nations has been unable to make any progress towards the possibility of such an agreement. The majority of the Commission seem to think that there must be some measure of general agreement before details of the control plan can be considered. On the other hand, the Soviet view has been that the condition precedent to any sort of general agreement is that one must know the details of the plan, and particularly the details relating to the initial stages of its implementation. The common man everywhere feels that the unprecedented power of destruction placed in man's hands by the atomic bomb and other biological weapons needs to be controlled in time, if mankind is to escape disaster. All hope that the political leaders of the Great Powers of the world will have the disinterestedness and the wisdom to reach an agreement before it is too late.

The book makes an interesting and instructive reading on what is, perhaps, the most significant and baffling problem of the present times. The book gives at the end a useful bibliography.

D. S. KOTHARI

**TIME LONGER THAN ROPE.** By Edward Roux. 1948 (London: Victor Gollanz 18s.).

It is not often that one comes across a good book on South Africa. But when one hears of a publication which promises to be interesting, one expects

perhaps too much from it. The orthodox historians from G. M. Theal to Eric A. Walker start on the arrogant assumption that the history of South Africa begins only with the landing of the Dutch settlers. Such histories, written for White readers by the White authors, while they may not altogether be unfair, are not, and could hardly be expected to be written from the point of view of that of the vast majority of the people who inhabit the land. On the other hand, histories of individual communities, like Louis Herman's *History of the Jews in South Africa* are frankly limited to the history of a particular community like the Jews, and restricted to a limited period of time, but are very illuminating in their limited sphere. Women writers like Olive Schreiner, Ethelrida Lewis and Sarah Gertrude Millin, have in their works no doubt given a glimpse into the huge native problem. But it was left to a journalist like Leonard Barnes, to focus the spotlight on the problem of colour madness in his *Caliban in Africa*. When a writer like Leonard Barnes informs you that 'here is a book that is quite new. Its approach is historical, and it discusses its theme, not as a group of problems, but as the series of stages in the political experience of the Black Man', one is tempted to expect a great deal from such a book.

Mr. Edward Roux is not quite content with giving the title of 'Time Longer Than Rope' to his book. Presumably he does not share the Black Man's belief that given sufficient time the White Man in Africa will twist for himself a rope long enough to hang the entire White civilization. He gives us, therefore, the sub-title 'A History of the Black Man's Struggle for Freedom in South Africa.'

The author informs us that he relies on three sources of information which he has used in this book. 'First-hand—that is, written by those who have actually participated in the events recorded; second-hand, based on study of original sources, news-paper files, blue books, letters and other documents; third-hand, relying for its facts on second-hand information already recorded in historical works.' The author has used all the three kinds of sources. The first six chapters of the book are based on information gathered from standard histories. The next seven chapters are based largely on original sources. The rest of the book from the chapter on the Rand Revolt onwards is based on first-hand information. It must be said to the credit of the author that although he has taken an important part in the events described in the book, he is not obtrusive. Nowhere does it strike the reader that Roux has ever allowed the interest to centre round his own activities. This is a very great compliment to the discipline of the Party to which he belongs.

South Africa has a population of about 11½ million people of whom 65 per cent. are Africans (Bantu), 22 per cent. Europeans (of whom ½ are Afrikaners) 10 per cent. Cape-coloured and 3 per cent. Indians. Thus, the non-Europeans form 78 per cent. of the total population. The great problem of South Africa therefore, is whether this vast country, with its beautiful climate, its fertility of soil and its vast natural resources, should be exploited, and the Government of the country organized, for the sole benefit of 22 per cent. of the population with the remaining 78 per cent. being used as no more than tools or chattels

for the benefit of the White races. More or less, almost the entire White population has considered it right that South Africa should be so exploited for the benefit of the White races. There are, of course, very honourable individual exceptions. The non-White population, the African, the Indian and the Cape-coloured have, therefore, only one chance of survival against such exploitation—unity. Although the Indian population is only 3 per cent. and sounds quite insignificant, actually it is so located in Natal that it is slightly in excess of the White population in that Province. Similarly in the Cape Colony the coloured people are almost equal to the White population. The Indians and the Cape-coloured could, therefore, very well join forces with the native Bantu population and build an appreciable non-European resistance. But then the tragedy of South Africa is that it always has been impossible for the non-White people to become united even when some of their great leaders had been willing to try this experiment.

The real position is this: The Bantu population in South Africa is essentially of the working class. There are hardly any traders or other classes of native population, although there are, here and there, individuals in almost every walk of life. On the other hand, a number of Indians are traders; there are a few market-gardeners and also many working men. The distribution of the Indians in various walks of life is more even. The same is the case with the coloured people. There is also a certain amount of inter-relationship between the Cape-coloured and the Indians in Natal and Transvaal, but not very much. Their problems are not identical—sometimes necessarily different—till recently the Cape-coloured had the advantage of franchise, which, however, was lost in 1936. But with the Bantu, neither the Indian, nor the Cape-coloured had much in common. The only uniting force which could bring the non-White people together was the fact that they were all being exploited by the White races, in varying degrees.

From the days of Mahatma Gandhi's leadership right up to the present day the Indians had tried to keep aloof from the Bantu. Racial exclusiveness was not the sole prerogative of the Whites. But the younger Indian is beginning to think differently. The supporters of Mahatma Gandhi, like S.B. Medh and Pragji Desai, had, even in 1930, been replaced by younger leaders like A.I. Kaji, S.R. Naidu and Sorabji Rustumji. But till 1940 the contacts with leaders who believed in exclusive existence were not lost. An early attempt on the part of Mr. Christopher to bring into being the Colonial-Born Peoples' Association had not met with much success. But since World War II the Indians in South Africa have been led by leaders from extreme left wing—men like Y.M. Dadoo and Naicker. Dadoo is a declared Communist.

Similarly the coloured people in the Cape are ably led by (Mrs) Z. (Cissie) Gool—that fascinating lady whose eloquence equals that of Annie Besant, Sylvia Pankhurst, Emma Goldman and Sarojini Naidu. But the National Liberation League, of which (Mrs.) Gool is the leader, is largely Communist-inspired and is very different in texture from the African People's Organization of which her father Dr. Abdurahman was the leader.

But one could hardly expect that the minority communities of the Indians

and the Cape-coloured are at all likely to have anything like a real influence on the native politics of South Africa.

The Communists have done their best to organize the non-White people. Perhaps, it cannot be denied that the Communist agitators have also tried to exploit the native problem. But, as a primary objective, the Communist Party has done its best to unite the non-White races in their economic struggle against European exploitation. Economics plays an important part in the lives of people. But where more than one race has to live side by side with other races, the political problem and the racial problem, become more prominent than the economic. Such was the case in South Africa, which had led to the Durban riots in the early part of this year. The native attacks on the Indian population are hardly likely to contribute to immediate revival of friendly relations between the two races.

The Communist Party, which has tried to organize a combination of all the non-White races, naturally finds itself in a very uncomfortable position. Do what he will, the White Communist agitator is a suspect amongst the native people. It is true that the Native leaders themselves, from the Liberal Jabavu to Clements Kadali of the I.C.U., have left the Bantu in the lurch at critical moments. But the White Communist leaders have always been suspect. The native problem in South Africa can therefore be solved only by the native people themselves. And the problem of the Indians and that of the coloured people will only pale into insignificance besides that of the native problem. The attempt of the Communists to guide the united non-White front can only lead to failure. With the rising antagonism in every country towards the Communists and their methods, the Communists would be hardly welcome amongst the natives of South Africa whose problems are not necessarily identical with those of the Communists. It is noted that already Y.M. Dadoo is looking for help from India rather than from the Communist Party. Perhaps the Communist Party has no more part to play in the racial politics of South Africa, but it cannot be denied that it was only the Communist Party in South Africa which had made a genuine attempt to bring about a united non-European front to end the exploitation by the White races; and the attempt was a glorious failure.

But the failure is now history. This book of Mr. Edward Roux, who describes himself modestly as 'an agitator' and the manager of 'umsebenzi', is an excellent record of the failure. It would therefore be more appropriate to amend the sub-title to: 'A History of the Communist Party's Abortive Attempt to Organize the Black Man's Struggle for Freedom in South Africa.'

K. V. GOPALASWAMY

CHINA: THE LAND AND THE PEOPLE. By Gerald F. Winfield, 1948 (New York: William Sloane Associates, Inc., Issued in Co-operation with the American Institute of Pacific Relations, \$ 5.00)

The author who lived and worked in the country for thirteen years (1932-1945) as a research biologist presents in this book China emerging

from the second World War. Looking at China through American eyes, it is her backwardness and ineffectiveness in the post-war world that strikes him most prominently: 'Caught in an ingrown pattern of life, with her social structure, her culture, language, industrial and agricultural methods, her basic processes and perspectives of thought bound by ancient dicta and mired in centuries of philosophic inbreeding, China is poorly prepared to take her place in a new world of closely knit, mutually responsible nations' (p. 247).

The picture seems overdrawn: some of its features at any rate are exaggerated. China undoubtedly lacks, in common with other Asian countries, the American capacity for organization and extension of the material and scientific bases of civilization. But she is decidedly not mired today in centuries of philosophic inbreeding. The futurism of China's social and political thought and outlook on life today, in spite of all handicaps on her progress inflicted by the Japanese invasion during the war and the Civil War following close on its heels, must be unmistakable to those who have kept watch on recent developments of Chinese literature. What holds her back from progress is not really an effete national mentality, but an adverse conjuncture of geographical and physical factors and certain circumstances of recent history.

Dr. Winfield himself has ably analysed these factors from first-hand study and observation. About the land and the people he presents an assemblage of facts which render China in his opinion a difficult 'problem country' in the modern world. So deeply inter-related and interdependent are they that the Chinese problem, in the author's view, has to be taken up as a whole and its solution cannot be by piecemeal reforms. The country has to be 're-built', and the author envisages this 're-building of China' under the auspices and the expert guidance of American democracy.

His presentation of China, is thus tendentious. His emphasis on the American stake in China is in line with recent American foreign policy that the frontiers of the U.S.A. lie in Asia. 'Our Stake in Asia', says the author, 'has now become a matter of the survival of our democracy and our standard of living, even our very existence as a free people' (p. 8). With the possibility, however, of China passing under Communist rule, America's stake in China seems to be steadily dwindling even to the point of illusoriness. The 'problem of China' is essentially a Chinese problem,—not an American one.

But the defect of the underlying thesis does not materially affect the factual survey, which the author has given in this book, of the basic factors of China's national life,—her geography, industry, agriculture, economic resources, health, education, language, government and society. He had especial opportunities of observing them, and the results of his observation are presented in a highly interesting and at times dramatic fashion.

'Energetic', 'good-humoured', 'honest', 'shrewd', 'self-respecting', 'familyistic', 'loyal' and 'friendly' are some of the epithets taken by the author to describe the fundamental characteristics of the Chinese people. These characteristics have served to mould the pattern of Chinese life and society through the ages and agriculture has been, as it remains still, its sustaining

basis. Intensive land utilization has been a perennial enforced necessity in the country by over-population. In the absence of Census totals, the author estimates the population of China over the entire territory at about 500 million, about 1,500 persons living on every square mile of arable land, the comparable figure for the U.S.A. being only 33. The kinds of crops and the forms of raising them are determined by the diversified climatic conditions and the varied topographical features of the terrain. Chinese agricultural methods though efficient, are not scientific, and, in the author's calculation, production per man can be doubled, if the average size of a Chinese farm were increased from the normal four to thirteen acres.

On Chinese 'diet, clothing and shelter,' the author has some very interesting observations which he sums up with the somewhat dismal remark that the 'food, clothing and shelter of his vast rural population add up to one fact—poverty' (p. 82). For the hugely overgrown population the way to a higher standard of living lies only through industrialization of the country and the lifting of commerce, industry and transportation out of the rut of primitive methods.

The health conditions of China come in for a more exhaustive analysis by the author from his expert point of view, showing China's 'disease-group' and their wide-spread effects. The conclusion arrived at is that 'the health status of China is extremely low',—India alone approaching her poor record (p. 111). The National Health Administration, set up by the National Government, is yet rudimentary, while the native medical practice of China is mostly ineffective, hag-ridden by ancient pathological superstitions.

Education in China, however, has been substantially modernized, and is bound no longer by the ancient classical traditions under which, according to the author, China was 'saddled with two persistent curses,—the curse of ignorance on the masses and the curse of the scholar on the educated' (p. 150). But experiments in modern education have been handicapped by the difficult character of the Chinese language—the divorce between the script and the speech, the semantics of the tonal system, the almost overwhelming multiplicity and complexity of the ideographs. The simplification of the language had been the object of several experiments in mass education in China since D.R. James Yen's 'hundred character' movement during the past 'thirties.

Local government is an institution of very ancient foundation in China and the author rightly devotes a whole chapter to it. The National Government made laudable efforts to reorganize it during the war years and to make it workable, and finally incorporated it in the Constitution of 1947. But the ancient pattern which still dominates local government in the country is, in the author's view, not flexible enough and calls for complete re-organization (p. 203).

The picture of China, raised by this impressive assemblage of facts, is by no means a flattering one. Perhaps it is possible to add some redeeming features. But few will disagree with the author when he describes the task of raising China to the full height of her stature as a 'gigantic feat of sociological engineering' (p. 361), nor when he calls education the prime mover in it. The educational problems of China are many and varied and



some of them of peculiar character, being bound up with the character of the language. But these problems will have to be solved by the Chinese genius itself in its own characteristic way which has always been the way of reconciliation and compromise between the old and the new, the traditionary and the modern.

To all interested in the life of modern China, the book is of basic informative value.

S. DUTT

**THE INDONESIAN STORY.** By Charles Wolf (Jr), 1949 (New York: The John Day Company for the American Institute of Pacific Relations, \$ 3)

The American Institute of Pacific Relations is to be congratulated on having picked Charles Wolf (Jr) to tell the story in less than 200 pages to a world a-hunger for an objective portrayal of Indonesia as it emerged and has developed during the Japanese and British Occupations and of Merdeka (Freedom) Nationalists, a handful group of determined men and women, who proclaimed the Republic of Indonesia two days after the surrender of Japan.

It is not just an accident that Indonesia has entered the arena of world politics. The Indonesian Archipelago of a thousand islands sprawling out to an area of nearly a quarter million square miles and having a population of seventy million renascent Asians has turned out to be the sepulchre of colonialism and increasingly is it becoming patent that Indonesians have the whole of Asia behind them. Indonesia has been rightly described as the cultural 'melting pot of Asia'; 'there the Brahman-Buddhist-naturalist traditions have endured to the present day, still basically unchanged'. Western penetration began in the sixteenth century after the crusading vigour of Islam had already swayed most of the Archipelago. The Portuguese did not last long and the Dutch arrived in 1595. Just as the Dutch colonial rule had matured, came the global war to give an irrevocable impetus to Indonesian militant nationalism.

The author was in an enviable position as American Vice-Consul at Batavia to see both sides of the story, to know at close quarters the rulers and the rebels. He has exploded the Dutch apologia for the wide-spread 'police action' the imperialist forces took in July 1947. It was no 'police action' against rebels but a veritable full-dress battle to crush nationalists. He has also exposed the subterfuges the Dutch took in the many negotiations with the Republicans. The wrangle over *de jure* and *de facto* sovereignty was repeated *ad nauseam* only to play for time.

Perhaps the most illuminating part of the book is the chapter which gives intimate vignettes of the men who have been the life and soul of the Indonesian struggle. The author has admirably exonerated Indonesians who, for reasons of expediency, cooperated with the Japanese. Cooperation with the Japanese was only a preparation for later struggles against the Dutch. There was difference of opinion among the leaders. Some co-operated, others went into the wilderness to avoid Japanese solicitation. After V-J Day the differing leaders closed their ranks and have, ever since, presented a united and unbreakable front against any form of colonialism. Soekarno is the spell-binding

orator and political welder of the Republic and he believed in a temporary co-operation with the Japanese in order to sustain and advance the nationalist movement. Sjahrir is the most Westernized personality, introvert by nature, thinker, diplomat, tolerant and realistic Hatta is the practical administrator. Sjarifoeddin is an aggressive socialist. These Big Four work as a well-knit team.

The Appendix is appropriate to the *Indonesian Story* in that all the relevant documents are there for one to appreciate the birth, growth and structure of the Indonesian Republic. The book is well produced and will continue to serve as a valuable appraisal of the past as well as an indispensable guide for happenings in the future.

J. S. AND K. S.

WAR, SADISM AND PACIFISM. By Edward Glover, 1947 (London : George Allen and Unwin Ltd., 9s. 6d.)

The essays in this volume, written at different times between 1931 and 1945, embodying clinical and sociological researches on the causes of war and the methods of war prevention are knit together by a fervent plea for a psychological approach to the problems of war and peace. The author calls attention to the existence of unconscious motivation of behaviour and severely criticizes the exclusive concentration of peace propaganda on ethical and economic grounds to the neglect of fundamental psychological factors. The driving energy in both peace and war belongs to a complex group of instincts, sadism which is a fusion of destructive and love impulses directed towards external subjects and masochism when the fusion of the same impulses is directed on the self itself. A complete investigation into the nature of sadistic and masochistic impulses and of the defence mechanisms that keep us unaware of these urges is necessary. The danger of war will persist as long as these unconscious forces are not brought to light and controlled.

War is essentially an irrational form of maladaptation. It has nothing in common with the fighting habits of animals. Though static psychology may help us to some extent to understand the immediate causes of war it is useless to attempt to explain the irrational in terms of the rational. All neuroses are compromises and war neuroses must be the result of the conflict between war psychology and peace psychology. An investigation into the nature of war-neuroses will help us to understand the unconscious factors that promote war readiness and those which inhibit it. A three-pronged attack on the nature of war-neuroses proper, on the civilian war-neuroses and on the unconscious reactions to war in peace-time must be undertaken.

If the resolution of unconscious conflict in individual minds without recourse to war is necessary for the establishment of real peace we will have to wait indefinitely. The author admits that very little progress has been made in researches on these lines and the method of psycho-analysis itself, because of acute differences in the camp, 'as an instrument of research must remain blunted.' He gives a rough sketch of a possible organized research on war and sums up the results so far achieved. While a proper investigation on a

systematic basis will be a long-range plan, he lays down certain short-term policies. Much could be done to eliminate anxiety—situations which lead to frustration and repression in the early life of an individual. For the re-education of the human race we should commence work during the formative periods of infancy and childhood. A renaissance of family culture is demanded. 'In the nursery as in international affairs it is necessary to have a peace policy.'

It is true that the unconscious as the repository of our earliest emotional history is the primary factor in motivation but the author seems to be little the part of conscious factors in adult experience. Strengthening of the reality-function of the ego has to be effected through consciousness. The pressure exercised by the reality-sense on the ego is an influence to be adequately recognized. Further, one may not accept without demur the author's treatment of the issue as to how far the findings of individual psychology can be applied to group situation, notwithstanding the Freudian dictum that the group mind is part of the psychic equipment of the individual.

The last two essays contain a scathing, but well-deserved criticism of the attitudes and methods adopted by victorious nations after the cessation of hostilities and the author observes 'that compared with its ill-starved predecessor, the League of Nations, U.N.O. is more patently a dishonest organization.' Referring to the atom bomb he utters a grim warning that 'the atom bomb is a triumph for the Death instinct and it remains to be seen whether the Life instinct can stage an effective come back.'

The volume marks an important contribution to peace-making and is of great interest and practical significance not only to the psychologist but also to the statesmen of the world and the general reader.

P. S. RAMANATHAN

#### METAL TRADES COMMITTEE: REPORT OF THE SECOND SESSION, 1949 (Geneva: I. L. O.).

Persons interested in the study of labour problems will receive this I.L.O. publication with deep interest. The second session of the Committee was held in Stockholm, in September 1947. In all 16 countries participated. Brazil sent an observer. Such Industrial Committees provide an opportunity for given industries to discuss their special problems as distinct from International Labour Conference where the questions are discussed in their general aspect.

The Committee was primarily concerned with three problems namely, regularization of production and employment at high level, minimum income security and labour-management co-operation.

The Committee appointed sub-committees to consider these problems and to draft resolutions to be placed before the Committee. In all the Committee adopted 11 resolutions and one memorandum to the Governing Body on problems of labour-management co-operation in metal industries. The Committee recommended to the countries to undertake studies based on factual material on various problems connected with regularization of production and employment at high level in metal trades. The Committee also recommended to the Governing Body to consider ways and

means of arranging collection, interpretation and dissemination of forecasts of long-term demands for metals by metal trades which would contribute to promoting a high and stable level of employment. By another resolution the Committee invited the Governing Body to request the office to undertake a more searching enquiry into the question of technological improvements and their effect on employment. The Committee, by two resolutions—one on under-developed countries and the other on war-devastated countries—invited the Governing Body to support the demands of these countries to obtain necessary equipment and financial assistance before the competent organs of the United Nations. Regarding minimum income security the Committee invited the Governing Body to inform the next session of International Labour Conference that the Committee held that income security is in the interest of sound labour relations and that there should be continued studies of this problem on realistic basis that would safeguard the various interests and taking into account the conditions available in various countries.

It will not be out of place to mention that one of the Workers Members from India, in his enthusiasm, overdraw the picture of bad working conditions prevailing and of the apathy of the Government of India to these matters. Mr. Narayanan, Government delegate, had to correct certain inaccuracies in his statement. He rightly pointed out that social security services have proved disappointing in countries where the insured population is not properly fed, clothed and housed and where the environment is insanitary. The Government of India was first concerned with promoting general fitness of the population and with schemes of large-scale development to cure the malady of under-employed labour.

Those who are interested in labour problems in India and abroad will find the Report as useful and interesting as the previous one.

RAJ KUMAR GUPTA

### FOREIGN BOOKS ON INDIA

HINDUISM. By A. C. Bouquet. 1948 (London: Hutchinson's University Library, 7/6 Net).

The author of this book says in his preface that his object is twofold—to give a brief outline of Hinduism from the earliest times to the present day and to exhibit that religion 'as an *event* rather than as something static, as an organism developing, reforming itself and even changing and absorbing new elements, rather than as a rigid creed or even as a survival from the past'. And, as an outsider, he says he brings three qualities to bear on his task viz, detachment, understanding and sympathy. He exhibits these qualities, no doubt, to a certain extent in the course of his narrative, but they do not seem to go far enough to enable him to produce either an interesting or an instructive book. As it is, under a thin veneer of impartiality, he repeats the old erroneous conclusions of the Christian Missionaries who have written on the subject viz., that Hinduism is a religion of world-negation, that it attaches no value to the

time-process, that it teaches pessimism and that it worships a deity who is indifferent to the moral categories of good and evil. And, at the end of his book, side by side with a splendid passage from Pandit Nehru's *Discovery of India*, which says that, while we should remove the dead wood of our past, encumbering our lives, we should not forget the ideals that have moved our race, he sets a passage from Dr. Nichol Macnicol's *Lectures* to the effect that 'unless Hinduism is splendidly untrue to itself ..... its world will remain to the end unredeemed.'

On the author's own showing, there have been several periods in the past when Hinduism was splendidly *true* to itself and also periods when Hinduism was 'splendidly' *untrue* to itself. For instance, the so-called Epic Age which produced our great didactic epics—the *Ramayana* and the *Mahabharata* with the immortal *Gita*—was a period in which the Upanishadic teaching was reaffirmed and applied to life on a nation-wide scale and Hinduism reasserted itself in the country. This Age may be said to extend from the fall of the Mauryas to the rise of the Guptas, from 200 B.C. to 300 A.D. It was the period of Satavahana supremacy in the Deccan. It was a period of great expansion in which Indians went abroad and colonized Sumatra, Java, Borneo, Malaya and Indo-China, and established many Kingdoms which were ruled by Indian Princes for more than ten centuries afterwards. And yet this was only a prelude to the great Gupta period, which is considered by all historians as the Golden Age of Hindu rule in India. The empire of Samudragupta was the greatest in India since the time of Asoka. Its glory declined only after the invasions of the Huns in the 6th century. The spacious times of the Satavahanas and the Guptas—from 200 B.C. to 500 A.D.—produced not only the Epics and the Puranas, but also the six Schools of Hindu Philosophy and the famous monuments of Indian Art—the Sculptures of Amaravathi and Sanchi and the paintings of Ajanta and Srigiriya. Of this period Dr. Ananda Coomaraswamy writes: 'At this time India was the dynamic centre of all Asia and the first civilized power in the whole world.' Does all this show that Hinduism was a religion merely of world-negation? And did Hinduism achieve all this by being untrue to itself?

It was when Hinduism was really *untrue* to itself that it reached its nadir in the century that followed the establishment of the British Rule in this country. During this dark period, extending from the middle of the 18th century to the middle of the 19th century, nothing great or lasting was produced either in religion, literature or art, because the old *Bhakti* movements had spent themselves and our people were carried away by the glamour of Western civilization and culture and lost faith in their own ideals. Then came the present Renaissance in Hinduism amidst which we are still living today. Undoubtedly, one of the greatest figures in this Renaissance is Mahatma Gandhi, the architect of India's independence, whose death was mourned by all the world. In this towering personality was Hinduism true to itself or untrue to itself? The very fact that he is worshipped by the Hindu masses throughout India shows that he is the embodiment of the religious ideals they have cherished through the ages. Like a true Hindu he says—'My Mahatmaship is worthless.

It is due to my outward activities, due to my politics which is the least part of me and is therefore evanescent. What is of abiding worth is my insistence on Truth, Non-Violence and Brahmacharya which is the real part of me. That permanent part of me, however small, is not to be despised. It is my all.'

The fact is that Hinduism, at its highest, is not a Kindergarten religion, though many Kindergarten religions are included in its base. It is founded on the highest mystical experience of man. To put it briefly, its central teaching is that the aim of man here below is not the creation of an earthly paradise of perfect social or economic structures, but the attainment of a higher consciousness which will be as much above that of the average man today as this is above that of the animals. It recognizes, with Jesus, that its kingdom is not of this world. This world in time is only a means or the realization of a world beyond time. Hence its so-called world-negation, its indifference to the time-process, its so-called other-worldliness and asceticism. If in pursuing our ends we have sometimes gone to one extreme, the nations of Europe, though they say they are the followers of Jesus, have gone to the other extreme in their over-emphasis on world-affirmation and the time-process, which has resulted in creeds like Imperialism, Fascism, Nazism, Bolshevism and Neo-Paganism. Aldous Huxley is right when he says: 'True religion concerns itself with the givenness of the timeless. An idolatrous religion is one which substitutes time for eternity—either past time, in the form of a rigid tradition, or else future time, in the form of Progress towards Utopia. And both are Molochs, both demand human sacrifice.'

D. S. SARMA

INDIA. By C. H. Philips., 1948 (London: Hutchinson's University Library, 7/6 Net.).

A precis history of India in about 170 pages sounds too good to be true; but Professor Philips comes very near success. This book is one of the best of its genre. The first few chapters are admirably done. The account of events in the years of Hindu and Muslim ascendancy though tightly compressed is not warped. The author will not find all in agreement with him when he speaks of the Company's Government as 'the strongest and the most enlightened' India had ever had; but such use of superlatives is rare. Indeed, the writer is too good a historian not to discern the defects of British administration in India.

The pattern of the recent past, however, Professor Philips does not seem to have clearly grasped. He asserts repeatedly that before the British came 'fundamentally India had been broken into two' and that their rule was in essence an effort to establish the unity of India, an effort on which failure was pronounced in 1947. And further disintegration would follow partition because of the attitude of the Princes. No one denies that Hindu-Muslim tension existed before the advent of the British, but there is plenty of evidence to show that the new comers consciously sought to intensify it. The very fact that in independent India, where many Muslims still dwell, religious differ-

ences have not so much been removed as forgotten, exposes the artificial factor in the communal crisis of recent years. So too the collapse of Princely pretensions once the British had withdrawn suggests that the resistance of these elements had been dependent on a prop.

But all this, of course, is argument on no-man's-land. The Indian freedom movement still awaits its historian; and till then everyone will be open to charges of prejudice.

S. GOPAL

### OTHER BOOKS

GOETHE—FAUST—*Traduction en vers Français Par P. Bregeault de Chastenay, 1948 (Konkordia—Buhl).*

Although France and Germany are neighbours and although both the countries have influenced each other in hundreds of ways, yet the most famous of Goethe's work had never been translated in French verse. Gerald de Nerval had started translating *Faust* in French verse many years ago but it was never completed. It was now left to a French Army Officer, Col. Bregeault de Chastenay, to do this work which ought to have been done a long time ago. French distrust and prejudice for the Germans most often arise from the ignorance of the average Frenchman regarding the most elementary facts of life of their great neighbours and if this state of affairs has to be put an end to, it is essential that the cultural treasures of the German people should be more known to the French. The profound contempt with which the French refer to the Germans as *les Boches* or *les Fritz* springs from a total incomprehension of German culture by the generality of French people who are taught from their childhood that French culture represents all that is best in the world. The Germans, on the contrary—however politically naive they are—make it a point to learn a great deal about France and the number of German scholars of French civilization and culture by far surpass those of German culture in France.

It is in this respect that Col. Bregeault de Chastenay's translation of *Faust* is to be viewed with pleasure by all those who wish that Germany and France will eventually compose their quarrel and settle down as peaceful neighbours. The task was not easy, for many German expressions used by Goethe did not offer themselves to easy translation, but it must be admitted that on the whole, the author made a good job of the work he had undertaken. When one reads the German and French verses side by side one cannot fail to realize, that the author has very largely succeeded in maintaining in French the beauty of expressions and the rhythm of the original German.

GIRIJA MOOKERJEE

HISTORICAL SOCIOLOGY: ITS ORIGIN AND DEVELOPMENT. By Harry Elmer Barnes, 1948 (New York: Philosophical Library).

This small book of some 180 pages is extremely well-written and gives a very short, concise and clear account of social theory in Europe and America

and its contribution to modern social and political thought. In Chapter VI when one reads the various theories of the stages of social evolution after two terrible world wars and half-a-dozen dictatorships, the designation of the modern period as the 'period of humanity,' the economic-ethical stage, the 'culture state,' appear to be premature, to say the least. The book is a fine review of various theories, but like all such books one is left with the feeling that no satisfactory social theory has been evolved as yet and the critical attitude of the extremist of the Boas School seems to be justified both as regards method and as regards theory. This however is the fundamental defect of the science of Sociology and not a criticism of the fine performance of the author.

(MRS.) IRAWATI KARVE

### STUDIES IN INDO-BRITISH ECONOMY HUNDRED YEARS AGO.

By Nirmal C. Sinha. 1946 (Calcutta: A. Mukerjee & Co, Rs. 5).

The 19th century was a period of transition in the Indo-British economy from the feudal to the capitalist stage. Mr. Sinha gives an account of it in the context of the world forces. He begins with the Charter Act of 1833, for by that time modern capitalism had come of age in Britain. The liberalism of this Charter Act and the benevolent changes in the British Indian administration are interpreted in terms of the needs of a growing capitalist society.

The book is divided into two parts. In the first one the author brings out clearly the fact that the liberalism of the 1833 Charter Act and the reforms that followed it was 'an integral part of the whole project of British capitalism,' and that it was not inspired by a sense of chivalry or Christian principles as it is usually depicted but that it was inspired by the necessity of British capitalism, by the urgent quest of colonial merchants for markets and for new fields of profitable enterprise. It is this that underlay the end of the East India Company's monopoly of the eastern trade, the provision of free entry of traders etc., for the time was opportune in England for the export of British intelligence and capital for colonial exploitation. The British concern for the people in India, for the improvement in their standard of living and the lofty platitudes found in the Charter Act, the dispatches of the Company's directors and the memories of the retired Company servants were nothing more than a cloak for their greed for profit and their conviction that if British capitalism was to prosper the trade with the teeming population of India and China should be developed as the trade with a pauper people would be unprofitable. As Mr. Sinha puts it, the reforms of Bentick, the provision of facilities for conveyance of lands, and registration of sales and a host of other reforms of this period formed a part of 'the grand dress rehearsal of capitalism' (p. 10). All these created on the one hand the Indian bourgeoisie and on the other a floating nomad free labouring population of the capitalist society necessary to sustain it.

In chapters 2 to 4 is narrated the story of how the existing capitalist elements in India allied themselves with their British compatriots, though they were compelled to play a subservient rôle. By stifling Indian enterprises, by depriving them of the opportunities to trade and establish and foster mecha-



nized industries and by encouraging land-holding as hall-mark of social status and by sedulously creating a craze among the scions of the old capitalists and the rising middle class for entry into public services the formidable opposition of the Indian rivals to the British capitalist was removed. English education and public schools among others were the chief instruments of this policy. As a result gradually a strong bourgeoisie comprising the progressive elements of the land-holding community like the Tagores and the intellectuals of the day like Ram Mohan Roy tied to the British enterprises and swayed by the philosophy of capitalism was allowed to grow. The attention of the readers must be drawn to the fact that Mr. Sinha refutes the lie that is perpetuated that Indian capital was shy. He writes: 'There was enough capital in the country and it was not the lack of it that postponed the industrialization of the country.' The activities of Jagat Seths and Omichands in Bengal (pp. 18-20). Arjunji Nathjis of Surat and of others in the Deccan and in the far south are cited in support. Mr. Sinha further avers that the 'organized banking in India owed its beginnings to the Indian capital, to Indian promoters and directors (pp. 24-26) and not a particle of capital came from the United Kingdom except in the development of railways, steam navigation and some plantation industries.' That this is not altogether a patriot's brag will be evident from a perusal of the book.

In Part Two, Mr. Sinha shows how the quest of British colonial merchants for workers was met by the British policy in India. The rapid rural pauperization through the decline of the village crafts and the land revenue policy of the East India Company compelled the small peasants to sell their allotments and this produced the typical nomad floating population of the capitalist society hungering for work. This facilitated the abolition of slavery and the substitution of free labour, the traffic in the indentured labour to replace the negro slave trade. In all this there was less of Christian piety and more of the bourgeois instinct. Mr. Sinha narrates with emotion the abuse of the system of assisted emigration and how the entire machinery of the Recruitment system, the Court of Justice, the Police and the Magistracy connived at it in the name of the sanctity of personal freedom and contract!

This book is very well-documented and has a forceful style. In one of the notes appended the author has attempted to present the rationale of boarding, the coolie traffic, the paradox of the combined opposition of Indian land-holders and White planters to the emigration of Indian labour, and the so-called mysterious collaboration of Britain and India, of White capital and Indian Labour and a number of other facts in terms of both Marxian and modern economic concepts. There is no doubt that this small book is a welcome addition to the literature on the economic history of India. Though it is not the only book of its kind, as a contrast to many others in the field, it is at once refreshing and enlightening, for historical materialism in terms of which the transition of the Indo-British economy during the 19th century is narrated here provides a philosophy, a point of view, a perspective which makes apparently isolated and dry-as-dust facts live as an essential part of social development. It is such a perspec-

tive that the universities and the historians in this country have yet to cultivate.

K. S. VENKATARAMAN

INDUSTRIAL PROFITS IN INDIA (1936-1944). By M. C. Munshi, 1948 (New Delhi: Research Department of the Federation of Indian Chambers of Commerce and Industry, Rs. 15).

Since the beginnings of modern commerce and large-scale industrial production and particularly since the growth of corporate enterprise in industry after the middle of the nineteenth century, with its frequent excursions into various types of monopoly, the nature and necessity of business profits and their place in the earnings of the factors of production have been subjects of heated controversies, theoretical discussions and practical research. In this country in recent years the magnitude and nature of business profits have loomed large in public discussions on economic policies but unfortunately largely on account of the abnormal conditions of the war period and the lack of adequate factual data, moral indignation and preconceived notions more than actual facts have often shaped men's judgement on the significance, necessity and legitimacy of profits in the earnings of industry.

In this book Mr. Munshi has attempted a factual survey—an inductive study—as he puts it, of the trend of industrial profits in India in recent years. The study covers a period of nine years from 1936 to 1944. Not many will regard the choice of the period as very happy for a study of the *trend* of profits. It marks the beginning of an upward trend in business activity after a period of prolonged depression and ends with almost the peak of the war boom. It cannot therefore be regarded as representative of the normal conditions of industrial economy in India or elsewhere, and the large mass of data presented in the book even though they relate to a period as long as nine years cannot throw much useful light on the basic trend of profits. Of this the author himself is conscious and agrees that a proper analysis of the trends of profits during periods of prosperity as well as of depression is necessary for determining many of the problems which arise.

His pre-occupation with the methodology of analysis has perhaps overshadowed the importance of selecting a period more representative of the average conditions of uneven prosperity and depression.

Based on a painstaking research into the balance sheets of 250 joint stock companies from the cotton textiles, jute, coal-mining, sugar, iron and steel, paper and cement industries, the book contains a mass of figures, averages, percentages, index numbers, chain indices and graphs. These make reading somewhat tedious on account of the repetition in almost every chapter of the contents of numerous small tables in large tables at the end of the chapters, and partly on account of the analysis of balance sheets by individual years or groups of years. The reader is liable to lose the thread of the analysis of individual items over the period as a whole. This is, however, a question of presentation and it does not detract from the quality of the analysis carried out.

As a study of industrial profits in India during the war, it is noteworthy for

the revelations which it makes in respect of the profits policy and the profit-earning capacity of the principal industries of the country and the rôle of price inflation and taxation in determining the level of gross and net profits and their distribution among shareholders, the public exchequer, depreciation and reserve funds and managing agents. But while the size and distribution of gross and net profits are computed in great detail, the commentary offered by the author for illuminating the reader on the significance of various items is rather scanty. On the whole, the reader is left far too much to himself to draw his own conclusions.

The general impression one gathers from this study is that during at least six out of the nine years covered by it, profits 'just accrued' and resulted from the operation of factors which had little to do with the initiative and ability of or risk and uncertainty borne by any of the participants in them, whether shareholders, managing agents or the public exchequer. It is in effect a study in 'profit-earning' rather than profits. Thus it has been stated by the author in his concluding chapter that the most important feature of the increases in profits of industries surveyed is the rise in prices which almost wholly accounts for the mounting curves of the graphs and that industries could earn high profits even when the quantum of their production remained stationary or showed a marked decline.

In these days of new claims on the products of industry by labour and the State, the methods of analysis of balance sheets developed in this study should prove very useful in measuring the capacity of various industries to meet fresh demands. The general attitude to industry at present, born undoubtedly of the war-time levels of profits, is that, it is a goose that lays the golden egg. In drawing conclusions from Mr. Munshi's research, whether the egg laid by industry is always golden, it should be remembered, that the period covered by it is not merely a period of prosperity, but one of extraordinary boom and that it would be dangerous to regard the magnitude of profits earned in this period as a measure of the various industries' capacity to earn profits over a series of years of peace and of uneven prosperity and depression or to regard all industries to be possessed of equal profit-earning capacity. The comparative summing up of the profits earned by the seven industries surveyed is one of the most illuminating part of this interesting work.

N. K. BHOSWANI

**THE PRODUCTION CRISIS:** By Prakash N. Agarwala. (Bombay: Thacker & Company Limited, Rs. 5-).

Mr. Agarwala's book reads like a string of clever newspaper articles on various aspects of the economic situation. The title and the imposing sectional headings rouse expectations, which are not fulfilled by the actual discussion. To declare in italics that the real crisis lies in the field of production and that until and unless there is more and more production of goods and commodities, there will not be enough to go round is neither very profound nor practically helpful. For the issue is not whether production needs to be raised—on this there has been no difference of opinion anywhere at any time—but how precisely

are our economic affairs to be ordered so that forces are released and incentives generated in the direction of increased production. This is the real issue and the moment it is posed, it becomes necessary to discuss all aspects of economic policy, including fiscal and monetary measures and the distribution question, which cannot any longer be brushed aside as irrelevant with the slogan that the economic crisis is purely a production crisis. As if the production crisis is a holy mystery that has a being apart from the economic environment as such!

The author has thrown himself with gusto into the task of pointing out Government's acts of commission and omission. The lack of a definite economic policy, the crushing burden of taxation, nationalization talk, deficit financing, appeasement of labour—all these grievances are duly brought out and there are two wholly unnecessary and not particularly well-informed articles on the public services and provincialism. Now, far is it from the intentions of the present reviewer to discount the relevance of all this exuberant enthusiasm. All the same, is any possible reduction that Government may effect in direct taxation, the absolute assurance of a free field for private enterprise, or a firm front to labour's demands going to make any great difference to the economic situation? Is it seriously believed that any or all of these factors, singly or in combination, will be sufficient to put into reverse gear the heavy engine of economic decline? On the contrary, is it not possible that we are declining economically and will continue to decline economically simply because as a nation, we are not saving enough out of current consumption for capital equipment? The rate of capital formation is a comparatively recent intruder into discussions of India's economic problems, and yet it is becoming rapidly clear that it is the hinge on which India's economic destiny turns. Mr. Agarwala has indeed paid passing attention to this vital element, but it is precisely because he has failed to appreciate the key significance of this factor and has chosen to dwell on surface issues and the commonplaces of routine economic discussion that he has little to say that is new or significant.

V. BALASUBRAMANIAN

#### REPORT OF THE INDIAN TARIFF BOARD ON THE HYDRAULIC BRAKE FLUID INDUSTRY. 1948 (Delhi: Manager of Publications, As. 12).

The Indian Tariff Board has presented in this report a brief survey of the hydraulic brake fluid industry in India which came into existence during World War II to cover the acute shortage of this material. As an emergency substitute the industry produced a hydraulic brake fluid based on indigenous raw materials such as castor oil and rectified spirit. By the end of 1944 brake fluid known as 'Holdzit', 'Acme' and 'Waxpol' were being marketed by indigenous producers. The combined production in 1945-46, 1946-47 and 1947-48 of two leading manufacturers, was 3004, 27,157, 47,778 gallons respectively which is less than 50 per cent. of the production capacity in any year. The total demand in the next three years has been placed by the Board at 70,000 gallons.

— The Tariff Board examined the cost of production of the indigenous material

in comparison with that of the imported product and recommended that no special protection is necessary. They noted with satisfaction that Indian standard specifications are being prescribed for this material and suggested that, provided the indigenous material conforms to these specifications, the Government should purchase their requirements from indigenous manufacturers.

K. VYASULU

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